

THE WAY FORWARD IN THE MIDDLE EAST PEACE PROCESS

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CONTENTS

	Page
WITNESSES	
The Honorable Henry A. Kissinger, former Secretary of State	5
The Honorable Dennis B. Ross, Counselor and Ziegler Distinguished Fellow, The Washington Institute for Near East Policy	25
Ziad Asali, M.D., President, American Task Force on Palestine	34
Ms. Danielle Pletka, Vice President, Foreign and Defense Policy Studies, The American Enterprise Institute	46
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Henry A. Kissinger: Prepared statement	6
The Honorable Dennis B. Ross: Prepared statement	30
Ziad Asali, M.D.: Prepared statement	36
Ms. Danielle Pletka: Prepared statement	48
APPENDIX	
The Honorable Darrell Issa, a Representative in Congress from the State of California: Prepared statement	57
The Honorable Grace F. Napolitano, a Representative in Congress from the State of California: Prepared statement	57
The Honorable Ileana Ros-Lehtinen, a Representative in Congress from the State of Florida: Prepared statement	58

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THURSDAY, FEBRUARY 10, 2005

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
Washington, DC.

The Committee met, pursuant to call, at 10:07 a.m. in room 2172, Rayburn House Office Building, Hon. Henry J. Hyde (Chairman of the Committee) presiding.

Chairman HYDE. The Committee will be in order. The Committee on International Relations meets for its first hearing of the 109th Congress on a topic that has occupied the American people for many years, "The Way Forward in the Middle East."

It is important to note that for several years, while of course concerned about the conflict between the Israelis and the Palestinians, the United States continued to shoulder disproportionately security responsibilities and responsibility for promoting economic and political reform all around the world.

When we called on our putative friends to take actions in their own interest, or to help us with one problem or another, the response that we would too often receive, instead of cooperation, was a reference to the lack of progress on the Israel-Palestine conflict.

It would be simplistic to attribute the hostilities that have characterized the Middle East for years solely to the Israeli-Palestinian struggle. But it also would be a mistake to ignore the impact this conflict has on the entire Middle East and beyond.

I tend to think that these sorts of statements are part excuse, part satisfaction with the status quo, and perhaps to some small extent, partly true. Despite its international implications, the tragedy of conflict between Israel and the Palestinians needs to be solved for its own sake, and we need not join in the exercise, so cherished by defenders of the status quo, of blaming American and Israel for the lack of progress all around the world.

American support for Israel has, over time, been joined by Kyoto, Iraq, the ICC, the death penalty, and Guantanamo, among the catch-all excuses for irresponsible behavior on the part of foreign government officials who should know better, and doubtless do.

One aspect of reading contemporary history is that even though you learn crucial details, you do know how the book is going to end. And yet, as our first witness, Dr. Kissinger, said this past Sunday, and I am quoting:

"This is the best opportunity that I have seen in maybe decades to make a significant breakthrough and maybe even move into final status negotiations.

"Because during the first term of President Bush, a number of issues were settled in a kind of a process that was not a negotiation but that created new realities on which a negotiation can now be based."

These events have brought an Israeli leader to the point of speaking in this way about the new Palestinian President:

"Here comes a new leader, and he brings a new spirit, a spirit of commitment to end violence and to stop terror and to embark on negotiations in a meaningful and sincere way. This is a great change.

"Now, as I said, it remains to be seen whether he will have the power to impose his will on these organizations, whether he will be prepared to engage in a confrontation with these organizations and stop them . . . I hope that his ability will match his courage.

"Israel will not hesitate to take every possible measure that will help strengthen this new spirit in the Palestinian camp. And we'll cooperate and coordinate with the proper authorities of the Palestinians in order to advance this."

This was not some Israeli "dove" speaking, but Ehud Olmert, a Vice Prime Minister, former Mayor of Jerusalem, and a key player in the Likud Party.

The Palestinians and Israelis continue to have real problems with policies of the other side. The Israelis, for example, continue to change the situation on the ground, especially in Jerusalem, and have yet to deliver on promised withdrawal of certain unauthorized outposts in the West Bank. Palestinian statements bordering on threats to resume violence if they were disappointed by their prisoner release, for example, raised serious concerns for the Israelis. And we have seen that, at least in the eyes of the Israelis, the Palestinians' security efforts are just getting off the ground.

We have few details at this point about the Administration's plans for assistance to the Palestinians, but I am inclined to give the Administration the benefit of the doubt on assistance to the Palestinians in the forthcoming months. However, we expect that we will receive, promptly, any required authorization legislation, and that the Administration respond fully and in a timely manner to any legitimate questions that may be raised about the package.

We are living at a very special time in history, affected in some measure by events over which we have no control, and at the same time, we can control some events. And if we bring a good heart and a spirit of fairness to these negotiations, we just may help fashion the peace that the great globe itself has been longing for.

I now would recognize our distinguished colleague, Mr. Lantos, our Ranking Democratic Member, for any opening comments that he may wish to make.

Mr. LANTOS. Thank you very much, Mr. Chairman. I want to thank you for calling this important hearing. First, I want to welcome our first witness, my distinguished friend, Dr. Henry Kissinger.

Dr. Kissinger has been a towering figure in U.S. diplomacy for decades, uniquely combining academic excellence and pragmatic and creative statesmanship. I am sure that we all look forward to hearing his views of recent developments in the Middle East, informed by history and personal experience.

This is a time of genuine opportunity for progress in the Middle East. New Palestinian leadership has emerged at the same time that Israel is preparing to withdraw from Gaza. I am hopeful that they may be turning the corner away from nearly 5 years of unmitigated violence and toward stability.

I am encouraged by recent steps taken by both Israel and the Palestinians, steps that have reduced the level of violence. Mr. Chairman, I think it is desirable that this body welcome and contribute to the improved atmosphere between the parties.

At the same time, we must avoid naive euphoria. Hamas and other terrorist gangs have not been dismantled. Anti-American lies continue to fill the Arab media. Mahmoud Abbas has barely gotten his feet on the ground as the Palestinian leader.

Concrete Arab support for Israeli-Palestinian peace, particularly from the oil-rich states, remains very limited at best. Mr. Chairman, in connection with these events, I would like to make three points.

First of all, I recognize the good intentions of the new President of the Palestinian Authority. I first met with Mr. Abbas in Ramallah on the eve of his becoming Prime Minister some 2 years ago. At that time, he emphasized to me his commitment to peace.

But good intentions will not be enough to ensure his success as a leader. In fact, they are barely enough to get him off the starting block. To succeed, Mahmoud Abbas will have to show backbone.

Unfortunately, he did not reveal any firmness in his previous high level positions. Mr. Abbas is an intelligent man, and he surely knows that in the long run there is no such thing as a compromise with terrorists. He will either defeat the terrorists, or he will be defeated by them.

My second point, Mr. Chairman, is we need to be realistic about the current state of the peace process and the Israeli-Palestinian relations. The Israeli Government is preparing to take a truly historic action. Starting this summer, it will withdraw all its forces from Gaza and dismantle all of the settlements there.

This unprecedented policy of peace will pave the way for the Palestinians to govern their own contiguous territory, and to demonstrate their ability to establish a functioning and orderly society.

That would be an extraordinary development and an important step on the road to peace. But a final peace agreement is certainly not going to be achieved in the next few months, or even in the next year. It would be unfair to the parties to place on them such unrealistically high burdens of expectation.

Third, Mr. Chairman, let me say a word about President Bush's proposal to spend an additional \$350 million of our taxpayer's money to provide assistance to the Palestinians in the upcoming year.

I have always supported assistance for the Palestinians and I hope to do so this year, provided of course that the Palestinian Au-

thority lives up to its obligation to fighting terrorism, supporting the roadmap, and maintaining fiscal transparency.

But I am not inclined to support the \$350 million request unless the oil-rich Arab States that have enjoyed obscenely high windfall profits over the past year also do their part. The Gulf Arabs, not the American taxpayer, should be leading the way to help the Palestinians.

Based on pledges that they made 3 years ago—3 years ago—at the Beirut Arab League Summit, oil-rich Arab States still owe the Palestinian Authority some \$400 million. And these are hardly countries that have cash flow problems.

As a result of the high oil prices they are enjoying, the Arab oil producers together made \$45 billion of windfall profits in 2004. Saudi Arabia alone received \$25 billion more last year than in 2003. That is a windfall by anyone's definition.

A mere 1 percent of this windfall would pay off Arab debts to the Palestinians, with plenty of change to spare. Mr. Chairman, I would like to see the OPEC Arabs do two things. I would like to see the Arabs whose payments are in arrears honor their previous commitments, rather than welching on them. And I would like all the oil-rich Arab States to pay more in line with what they can easily afford in their current economic circumstances. Kuwait, Qatar, and the United Arab Emirates, lead the list of deadlines in arrears to the Palestinian Authority.

It is especially disgraceful that Kuwait, of all countries, is on that list. Kuwait's oil revenues increased by \$7 billion last year. Not too shabby for a nation with less than 1 million resident citizens.

Mr. Chairman, Kuwait would not exist today were it not for the United States and the bravery and selflessness of our men and women in uniform. Kuwait owes it to the United States, if not to the Palestinian people, to support peace in the Middle East willingly and generously.

So, Mr. Chairman, first and foremost, I want to see these Arab States pay the Palestinian Authority what they owe it. That is step one. Then, step two, I would like to see them provide the Palestinians further aid in addition to that, aid that is at least minimally commensurate with the \$45 billion of their windfall profits.

Mr. Chairman, many Americans join us in wanting to help the Palestinian people, but we cannot want to help them more than the Arabs themselves do. That is why I intend to pursue an initiative that will condition our aid on the demonstrated performance of oil-rich Arab States in providing assistance to the Palestinians.

The American people are compassionate, and we certainly support the Palestinians and the peace process, but we will not be taken for a ride. Financial backing for the Palestinian Authority is an area where the super-rich Arab States must lead. If they do so, we will do our part.

With that, Mr. Chairman, let me just say that I welcome the opportunity to hear the testimony of our distinguished witness, Dr. Kissinger.

Chairman HYDE. Thank you, Mr. Lantos. Because of the exigencies of the clock, I am going to ask Members who have statements to put them in the record. They will be received at this point in

the record without objection. And then we can move on with the testimony. When you have a witness like Dr. Henry Kissinger—winner of the Nobel Peace Prize, former Secretary of State, author, analyst, and a litany of many other important things—reading a resume is almost superfluous. The more a person has accomplished in life, the less you have to say about them by way of introduction. And so I present to the Committee Dr. Henry Kissinger.

**STATEMENT OF THE HONORABLE HENRY A. KISSINGER,
FORMER SECRETARY OF STATE**

Mr. KISSINGER. Mr. Chairman, it is a great pleasure to appear again before this Committee and to see some old friends of many previous encounters, and joint battles, and of course some new Members who have joined since I last appeared here.

I have submitted a statement to the Committee, and in order to get to your questions, I will just sum up my basic views without reading my statement, if this is agreeable to the Chairman.

Chairman HYDE. Yes, sir.

Mr. KISSINGER. Three dramatic events have changed the character of Middle East diplomacy. The reelection of President Bush—I make this not as a partisan statement, but as a statement of continuity of policy—the death of Yasir Arafat and the commitment of Israeli Prime Minister Sharon to withdraw from Gaza and to dismantle Jewish settlements.

The policy of the Bush Administration in the first term, which had refused to engage itself on behalf of programs that were advocated by European and other countries, and that were clearly unfulfillable, has forced the parties to face some of the contemporary realities. And the death of Arafat has made it possible on the Arab side to take another look.

And even in Europe, in which the standard position until recently has been that Israel should return to frontiers that no serious student had considered defensible has been, at least on the surface, modified.

So we are now in a situation in which the United States, together perhaps with some European countries, and perhaps with some moderate Arab countries, can foster a process to which realistic dimensions can be given.

One of the dilemmas that existed, until fairly recently, was that in any conceivable settlement, the security guarantees were difficult to define. And there was an inequality in the nature of the proposals in that the Israeli concessions were permanent and the Palestinian concessions were revocable.

The security problem derived from the fact that it was difficult to imagine guarantees of foreign forces that could provide assurance better than that that already existed by the existence of the Israeli armed forces.

But the construction of the security wall, or security fence, has created an element of security that did not exist before. And so then, the negotiation turns on the location of that security fence as a form of security guarantee.

Secondly, the Israeli withdrawal from Gaza, and from the settlements in Gaza, together with the withdrawal from four settlements in the occupied territories themselves, has created a premise from

which the conclusion can be drawn that in a final settlement the areas that the settlements are beyond the agreed, but dividing line, are then either subject to the jurisdiction of the Palestinian State, or will be removed.

These are huge concessions in terms of Israeli history. On the Arab side, there has been the problem that a significant percentage of Arab leaders, and a larger percentage of Arab populations, have looked at negotiations not as a way to achieve a permanent settlement, but is a stage in a process by which Israel will be expelled from the area.

And one of the demonstrations of this is the kind of propaganda that one can read in the media of even moderate Arab States and in the Palestinian area. Now recent events give some hope that this is a problem that is understood must be addressed if a settlement is to go forward. And therefore at this stage there are three requirements.

One, that the Arab leaders recognize the psychological and security aspects of a settlement as far as Israel is concerned. It cannot be expected to make a settlement which will involve the removal of Israeli settlements on the ultimately Palestinian territory, and if terrorist groups continue to exist and arms depots are known to continue.

Secondly, on the European side, Europe can make a contribution by agreeing on certain principles of a settlement, which then have to be negotiated with the parties in which Europe does something other than pressure us for the maximum program of the Arab side.

Thirdly, Israel must continue the process it has started of withdrawal from Gaza, and the implications of the negotiations that they put forward at Camp David and elsewhere.

On the basis of these principles, I am optimistic that we can be in a period in which the United States plays a significant role in assisting the parties, in which they come to an understanding about dividing lines, move toward it by accelerating the process in which they are now engaged on reassuring each other on some of the more onerous aspects of the current situation.

I believe that this is the best opportunity that I have seen in several decades to achieve a decisive breakthrough, and such a breakthrough would have great consequences for the Middle East, for our relations with Europe, for the dignity and security of the peoples involved, and for the future of peace in the world.

And therefore I am glad to have this opportunity to express my views to this distinguished Committee. And I will now be happy to take your questions.

[The prepared statement of Mr. Kissinger follows:]

PREPARED STATEMENT OF THE HONORABLE HENRY A. KISSINGER, FORMER SECRETARY OF STATE

Mr. Chairman:

Three dramatic events have recast the seemingly moribund Middle East diplomacy and opened the way for a major American diplomatic initiative: the reelection of President Bush, the death of Yasser Arafat, and the commitment of Israeli Prime Minister Ariel Sharon to withdraw from Gaza and dismantle Jewish settlements there.

Successful diplomacy represents a merger of necessity with opportunity. During Bush's first term there were many appeals from both sides of the Atlantic for American initiatives to start a peace process. But the conditions for success did not exist.

So long as Arafat was president of the Palestinian Authority, his refusal to renounce terrorism, his encouragement of suicide bombings, and his corrupt and chaotic leadership doomed meaningful negotiation. And Arafat's blighting presence, combined with the pressures of jihadism, prevented moderate Arab states from playing a helpful role.

In Israel, Sharon had come to power, more than doubling the seats in parliament of his conservative Likud Party, on the basis of a program that rejected the proposal made at Camp David by his predecessor, Ehud Barak, to return more than 90 percent of the West Bank to Palestinian rule. Sharon insisted, as a precondition to any negotiation, on an end to the intifada.

European leaders appealed for a more active U.S. role, but on behalf of an unfulfillable program: return of Israel to the 1967 frontiers; partition of Jerusalem; abandonment of settlements beyond the 1967 line; and some symbolic return of refugees guaranteed by some kind of international force, (NATO or the United Nations—all this in return for no tangible quid pro quo other than a formal acceptance of Israel's right to existence, a point generally taken for granted in diplomacy. No Israeli leader—even the most dovish—has ever considered as compatible with Israel's security a return to the cease-fire line of a war that ended over a half-century ago. Nor have Palestinian leaders ever unambiguously accepted the legitimacy of Israel in any borders.

The abandonment of all settlements ran counter to the entire history of the Jewish state, while the idea of a security guarantee by outside forces provided no assurances. If Israeli armed forces, with their own families at risk, are not able to secure Israel's frontiers, no international contingent is apt to do so. More likely, such a contingent would become hostage to terrorist blackmail, as has happened in Iraq, or become a screen behind which terrorist groups could plan attacks without fear of preemption.

The Bush administration's refusal to expend U.S. diplomatic capital on a doomed enterprise has contributed to bringing matters to a point where a confluence of interests of all moderate forces might initiate a breakthrough. Israel's leaders realize that President Bush will not knowingly risk Israel's security—the psychological precondition for a U.S. initiative. At the same time, the Israeli political scene has been transformed. By offering the return of Gaza to Arab rule and the dismantling of the Jewish settlements there, Sharon has opened the possibility of a new approach based on a partition of Palestine between a Jewish and an Arab state substantially reflecting demographic reality.

Some reject this interpretation of Sharon's policies, asserting that the surrender of Gaza is only a tactic to solidify Israel's hold on the West Bank. But Sharon surely knows that he will not be able to maintain U.S. support if he undermines Bush's repeated commitment to bring about a Palestinian state during his presidency. This requires a territorial compromise.

Sharon has acted on this premise. At the price of losing his Likud majority and governing with a minority coalition, he has taken the crucial step of abandoning all settlements in Gaza and four on the West Bank, marking a revolutionary departure in Israeli policy. He has also established a security fence between Israeli and Palestinian territory, defining a dividing line that provides its own security without the need of a shaky international presence. It also permits a distinction between those settlements close to the 1967 line and protected by the security fence—mostly around Jerusalem—and those not essential to Israel's security.

Among the Palestinians, Arafat's death removes a figure who viewed the peace process as at best a tactical pause in a struggle to eventually remove what he considered the illegitimate Israeli presence. A new Palestinian leadership freed of the Arafat incubus has an opportunity to create transparent governance, affirm coexistence with Israel and renounce terrorist tactics, thereby removing major obstacles to an overall agreement.

These obstacles are immense. Gaza is riven by factions. Hamas is a major force for violence; the military units of the Palestinian Authority have been cooperating with the militants. Corruption and lawlessness are endemic. If the Israeli withdrawal from Gaza leads to a collapse of authority, the resulting chaos could destroy all hopes for progress. The Palestinians have an obligation to produce a responsible, transparent leadership and to abandon reliance on terrorism. They seem to have taken important steps in this direction.

Both sides of the Atlantic are beginning to recognize that constant friction is against their fundamental interests. Key European allies, unable or unwilling to generate either the public support or the conviction to associate themselves with the military effort in Iraq, understand the importance of making at least some of the American objectives their own (including political and economic reconstruction efforts in Iraq). Appealing to radical Arab trends guarantees a stalemate and, by

keeping open the Palestinian wound, undermines the position of all moderates threatened by fundamentalists and radical jihadists. For his part, President Bush appears receptive to rebuilding the traditional partnership with Europe.

The challenge of a new approach to Middle East policy will be to meld divergent strands into a coherent and compatible whole: the policies of Israel; a moderate Palestinian evolution; relations with friendly Arab states; relations with important players such as our European allies, Russia, and, ultimately, even China and India; and the Iraq war. In Bush's first term, these issues were handled individually; the second term presents an opportunity to develop an integrated strategy for bringing about a coalition of moderates for peace. Such a policy needs to be put forward with a strong affirmation of positive purposes, not defensively as a means to ease difficulties.

This presupposes farsighted policies by all concerned. Israel cannot be asked to accept as a neighbor a state dedicated to its eradication. It has every right to demand the acceptance of genuine coexistence and the disavowal of the apparatus of terrorism before it agrees to move tens of thousands of its settlers from the West Bank. But it should take steps to ease the psychological and political pressures of occupation. The United States, Europe and Israel should undertake some confidence-building measures to encourage the Palestinians toward a stable, terrorism-free regime by easing the conditions of life on the West Bank and, if asked, extending technical assistance to its governance.

Moderate Arab regimes can help the process by legitimizing the Palestinian measures necessary for the coexistence of two states. The summit between Mahmoud Abbas and Ariel Sharon is a hopeful step in merging these trends.

We have come to the end of the step-by-step process. There are not enough peripheral issues left that might satisfy the parties even partially. Heretofore, road maps have been negotiable only if phrased in language so general and ambiguous as to permit each of the parties to interpret it in the manner most closely approximating their position. This time a more precise and specific road map should guide the peace process.

The recent trends in Israel, Palestine and the United States permit some specificity, with respect to territory and to Palestinian obligations. The territorial dividing line should be defined by a security fence paralleling the 1967 borders along principles discussed at Camp David and other meetings.

In compensation, Israel would transfer some of its current territory to the Palestinian state. Israeli settlements located beyond the dividing line would be subject to Palestinian jurisdiction, which would probably imply their abandonment. Finally, such a concept should include provisions for the establishment and support of an interim government in Gaza for the time between the withdrawal of Israeli forces and the conclusion of negotiations. The Palestinian contribution to peace must be a genuine recognition of Israel, transparent institutions and a dismantling of the terrorist apparatus on Palestinian territory or aimed at Israel from other neighboring states.

We should have no illusions. No approach that preserves Israel will pacify radical Arabs or those Palestinians who view negotiations as an interim step on the road to eradication of Israel. Aspects of a new plan will be bitterly resisted by some in Israel, however much implied in current Israeli policy. It will not solve our dilemmas in Iraq or end hostility to America in the Middle East. But strong U.S. leadership could give moderate leaders in the region the incentive and justification to overcome a policy that dooms the region to another generation of struggle and death.

It could provide a vision for the future of the Middle East compatible with the dignity of all parties and our own conscience. It could show a path that combines our friendship with Israel, concern for the views of our allies, and the stake all moderates have in enabling the Islamic world to play a major role not as a scourge but in a manner compatible with its own great traditions.

Chairman HYDE. Thank you, Dr. Kissinger. Mr. Lantos.

Mr. LANTOS. Thank you, Mr. Chairman, and thank you, Dr. Kissinger. I would like to ask you a number of questions, Dr. Kissinger, beginning with the responsibility of neighboring governments, which in varying degrees are in control of their media, to put an end to the vicious anti-American and anti-Israeli propaganda that fills much of the Arab media.

It seems to me that if this is allowed to continue, the likelihood of creating an atmosphere in which significant progress toward

peace could be achieved is very limited. Secondly, I would be grateful if you would comment on my observations concerning the financial aspects of the upcoming period.

The Arab countries still owe the Palestinian Authority \$400 million, which was pledged. They have no cash flow problem. They have tens of billions in windfall profits from higher oil prices. Would you support the conditions that I am proposing in terms of United States additional assistance to the Palestinian Authority?

And my final question relates to accountability. One of the severe problems with the Oslo process was that the parties were not held accountable for their actions during the process.

Many of the violations were swept under the rug with the best of intentions, in hopes that future violations would not take place. This eventually led to the total collapse of what, at one point, appeared to be a promising peace process.

Mr. KISSINGER. Let me take your point on the financial contributions first. I support the Administration's request. It is an important signal of the American commitment to progress and an important signal of interest in a viable Palestinian State.

At the same time, though I had not heard the argument before today. On first hearing, I find it reasonable that the surrounding Arab States that have the resources should make at least a matching contribution. And to sustain the Palestinian State financially should not be exclusively—and probably even primarily—an American occupation. So I look at our contribution as a symbol of evenhandedness in supporting the process, but I have great sympathy for what you, Mr. Lantos, expressed here.

With respect to your first point on the media in neighboring Arab countries, not all of them are known for their freedom of the press. So some control over media is within their demonstrated capabilities. I have always found it amazing that the picture of the United States that is presented in these media, without significant opposition, is permitted to continue.

And the description of Israel in the media is incompatible with coexistence, because it is based on the elimination of the Jewish State. Now, that some such views must or should be expressed, or can be expressed, is understandable.

But the unanimity of this view and the unwillingness to present any alternative approach, and to create any psychological and public basis for coexistence is a matter that has to be remedied if this process is to succeed.

As for accountability, this process will be threatened by radical elements that want total solutions in their favor. That is even true on the Israeli side. I think all parties in the process, and those that help mediate this process, must insist on strict accountability, and must insist on it very early in the process before this pressing on the edges becomes the dominating feature and it erupts in another cycle of violence.

Mr. LANTOS. Thank you very much.

Chairman HYDE. Mr. Leach.

Mr. LEACH. Thank you, Mr. Chairman. I am wondering, Dr. Kissinger, if you could give an opinion on what might be described as a distinction between steps and stages. That is, current discussion of the roadmap has involved steps, and there is this view, particu-

larly on the Palestinian side, that it is impossible to make a serious agreement without a sense for a final status.

And so an agreement can be staged, but you have to have a picture of the final status. Do you think this is a time frame where we can now look at a final status picture, or is that too ambitious?

Mr. KISSINGER. Let me answer it, if I may, in two parts. For the next few months the priority has to be given to the Gaza withdrawal, because if that is not implemented, then all these ideas will be in doubt.

So I think in the next months the process needs to continue on the present basis of ameliorating the conditions under which both sides suffer: The threat of terrorism against Israel, plus Israeli responses to them; and the perceived lack of dignity and respect on the part that the Palestinians perceived is imposed on them.

To ease those conditions is an important task over the next few months. After that, after the Gaza withdrawal is completed, then one faces the question that we have faced for 30 years; step-by-step or final status.

Now, I was the inventor, I believe, of the step-by-step approach in the 1970s. I think at this point it is probably desirable to turn to final status negotiations at the stage that I have described.

They may not succeed. There may be points, such as the right of return, or Jerusalem, that cannot be settled. In that case one might conceive an interim agreement. But the elements on which final status can be discussed seem to me in place provided some of the principles of Camp David are accepted.

Namely that Israel—the 1967 line is not the precise line, but that there is a security dimension. That the security fence can be in some form maintained. So I do not think it is too ambitious to attempt to final status negotiations.

And to be more specific with respect to the roadmap, I am assuming in making that statement that the European allies will agree to a constructive role, and modify some of their positions, and that moderate Arabs will continue to play the role that they have apparently played at Sharm el-Sheikh.

If we can bring all these elements together—and only the United States can do that—then I think that one can imagine final status negotiations proceeding.

Mr. LEACH. Thank you.

Chairman HYDE. Mr. Berman.

Mr. BERMAN. Dr. Kissinger, I would like to hear your thoughts on the sort of following dilemma. President Bush, in his inaugural, gives I think an eloquent—and to my way of thinking—attractive statement about American foreign policy centered on the promotion of liberty, freedom, and democracy, something in both U.S. interests and the right thing to do.

In the context of events now, and Israel's decision to withdraw from Gaza, there is clearly a very important role for Egypt to play in the smuggling issue, and the training issue, in statements to—in the way that they conduct themselves with different elements of the Palestinian population and the rest of the Arab world, in terms of bringing support for this.

And at the same time, Egypt is Egypt. It is an authoritarian regime that has in some cases acted quite brutally to deal with polit-

ical dissenters. It looks like President Mubarak is about to seek reelection in a yes-no plebiscite.

There is not a lot of political space for other parties and opposition, as well as serious human rights problems. And meanwhile, we give Egypt a great deal of assistance. And reconciling all these, the temptation perhaps in the pursuit of President Bush's objective, the conditioning of aid, or conditioning of military aid, or the transferring of military aid to economic assistance, or other kinds of steps focused on the internal situation in Egypt, versus the role they can play in helping to move this process forward. How would you come to terms with all of that?

Mr. KISSINGER. I unobsequiously support the objectives that President Bush had put forward, and those are objectives that are inherent in the American convictions. And there are really no other objectives in the name of which one can explain the commitment of the United States on a global basis.

At the same time, as a student of history, I have to say that the task of foreign policy is to translate objectives into stages by which they can be implemented, and that foreign policy has sometimes been described as the odd of the possible.

So in any one of these stages, you will not have achieved the ultimate goal which you are seeking. Now, this is, as a general statement, true. So the decision that any leader has to make at any one point is: Is it sacrificing the ultimate objective to immediate convenience, or is it pushing the process so fast that the whole thing will fly apart?

That is a judgment that has to be made at each stage. Now, applying that to the Middle East, the operational question is: Does one insist on the substantial democratization of all surrounding countries before one feels secure enough to conclude final status negotiations?

And my view would be, no. My view is that one should see significant progress on the propaganda point and on the financial contribution point that Mr. Lantos mentioned. One should also see some progress on the internal structure.

But one would have to make some allowances that the pace of history may be slower than the pace at which negotiations might go forward, and that is a tough decision that will have to be made as to various stages as the various stages evolve.

But there can be no solution without a significant change in attitude in the surrounding countries, at a minimum on the propaganda point, and at least some recognition of the fundamental points.

Chairman HYDE. The gentleman from New Jersey, Mr. Smith.

Mr. SMITH FROM NEW JERSEY. Thank you, Mr. Chairman, and Dr. Kissinger, and thanks for the hope I think you give to everyone when you pronounce that this is probably the greatest opportunity for peace in decades.

I think your stature and your knowledge and wisdom gives all of us a great deal of hope and a higher expectation. I did notice in today's *New York Times*, and not surprisingly, that Hamas has pledged a temporary halt to its attacks.

But the spokesman for the group made the point that this is a "break in the resistance and not a stop to the resistance." And my

question is: How do we put sandbags around the truce to ensure that there is not an incident or a series of incidents that lead to an unraveling of this very important opportunity for peace?

It seems to me, and you mentioned the importance of significant progress in the propaganda area, because of the longstanding and extreme poverty, and the devastated infrastructure in which the Palestinians have lived, a group like Hamas, which obviously fomented hate, has an opportunity to obviously begin to try to reverse this, and they are probably challenged in that they are not as much a part of this process as they would like.

My question is: What can we do to build this door of truce so that it leads to peace, but how do we get the money right from the international community; obviously from the Bush Administration, and from our Government, and any other money, into a rebuilding project right away?

I just returned back with a delegation led by Jim Leach to the tsunami areas, and one of the things that USAID has done in its aid programs that is simple, but extremely effective, is to take traumatized people and put money in their pocket, and get them working on rebuilding their livelihoods because of all of the good consequences that come from that.

And it seems to me that if you have people working, especially young people, they are less likely to listen to the hate mongering promulgated by the people from Hamas. So how do we raise the stakes so high that Hamas has less fertile ground to undermine this peace effort?

Mr. KISSINGER. I do not personally believe the proposition that all the terrorism is caused by economic conditions. I think that there is a significant element that is ideologically-based or religiously-based, and that is shown by the fact that some of the key terrorists and many of the suicide bombers are actually middle class and upper-middle-class people.

But it is certainly true that the despair in the Palestinian area is fueled and given impetus by the fact that the economy has come to a substantial standstill. Unemployment is huge, and so even if the unemployed do not join the terrorists, there is a general acceptance of their effort, and their support among the population that sustains them.

I have always favored quick impact aid programs. Those who have seen the Government operate know that the problem of accounting and of trying to avoid waste sometimes gets in the way of having an immediate, demonstrable impact.

So I favor setting aside a part of the aid funds for projects that have visible results, and that can be clearly identified with progress.

Chairman HYDE. Mr. Ackerman.

Mr. ACKERMAN. Thank you very much. Good to see you again, Dr. Kissinger. Dr. Kissinger, in your prepared statement, you said that we have come to the end of the step-by-step process, and you go on to say—and I will paraphrase it—that the phrased-in language, in order to be effective, has been so ambiguous to allow enough wriggle room by each side to see what it wants. And that we have come to the end of that process. And then you say that this is a time for a more precise and specific roadmap to guide the

process. Is it the time to abandon the current roadmap and come up with a new, more specific roadmap?

Mr. KISSINGER. No, I would have to think about that. When I wrote this, what I had in mind was that one could use the existing roadmap and perhaps flush it out with some principle, that then could guide the parties in their direct negotiations.

And my reason for proposing this is not only to commit the parties, but also commit the people, the groups and countries that are having an impact on the negotiations to a parallel approach so that our European allies and the moderate Arab States sustain the process toward parallel objectives, and not develop their own.

Mr. ACKERMAN. You spoke a moment ago about aid and U.S. aid levels, and Mr. Lantos asked about the \$350 million. I have been to some of these areas from time to time, and the biggest problem seems to be that the people see, even with all the aid that the world has given, no change whatsoever in the situation on the ground and the end results, or the ability to attribute from who the assistance comes.

Mr. Lantos points out that there is a lack of participation to the extent that there should be from many within the Arab community, many other countries. Would it be an appropriate thing for us to do, if we are doing \$350 million, to break it up into four pieces, and to go into two places in the West Bank, and two places in Gaza, pick two towns, and go in like gangbusters and say, "This is American aid coming here," and really do the place up right as quickly as we can so that they know who is doing it, and why we are doing it, and whose money it is, and to say that this is what happens when you participate in a democratic process in a peaceful way?

Mr. KISSINGER. I frankly have not thought about it in these terms. My instinct would be that if we are going to get maximum impact, we have to achieve two things. One, the population has to see what we are doing. And secondly the Palestinian Authority, provided that it is pursuing a moderate policy, should be perceived as having achieved this assistance as a result of their moderation.

And so we would have to merge. So if we pick the towns without discussion with the Palestinian Authority, it would probably be a mistake, and I think we should conduct this aid program in such a way that it is perceived as an encouragement to the leadership of the Palestinian Authority to move toward peace.

Let me make one other point about the step-by-step and final status. One should not think that if one begins final status negotiations that this means that until every last issue is settled that nothing can happen at all.

In fact, what would be most desirable is if a series of interim steps occurred while one is discussing the final status of negotiations. And it is even conceivable that the final status of negotiations reach a point where both parties decide that they make a long-term interim agreement.

But symbolically I think we now have reached the point where the final status must be discussed to give some encouragement.

Chairman HYDE. Ms. Ileana Ros-Lehtinen.

Ms. ROS-LEHTINEN. Thank you, Mr. Chairman. I am honored to listen to Dr. Kissinger. Thank you so much, sir, for being with us. Your assessment of Arafat's true intentions, that he viewed the

peace process as at best a tactical pause is at odds with what many other observers at the time and after Oslo have observed.

What signs of Arafat's true intentions should we have recognized at the time, and on that, how can we now assess Abu Mazen's true intentions?

And then my second question builds on your response to Mr. Lantos' question about what steps should be undertaken to change the Palestinian educational system to orient it toward a more democracy-based system that promotes tolerance and understanding, as opposed to what they are doing now, which is an incitement to violence. What is the proper role of the United States and the international community for providing this United States assistance to the Palestinians in this manner?

Mr. KISSINGER. Let me illustrate Arafat's point, and at this point I want you to recognize it. My personal experience is that on the day that the Oslo agreement was signed on the White House lawn, I was seated next to Mrs. Sadat—President Clinton was kind enough to invite me. Yitzhak Rabin was a dear friend of mine, a really close friend, but I thought that he was a lousy speaker. And so when he got up, I said to Mrs. Sadat, who sat next to me, I said, "What a pity that your husband isn't here. What a speech he would have given." And how we are going to hear one of Rabin's dramatic speeches.

Well, it turned out that Rabin gave a biblical speech, a speech of profound emotional commitment—which I have never heard him do—which said something about when he talked to his own people and what their real feelings were.

Arafat got up, and he had the world stage in front of him and spoke in Arabic, and gave a bloodcurdling revolutionary speech, repeating all the charges and really making no—he could have appealed to the world at that moment the way that Rabin did. And I thought that this was really sort of a symbolic event.

I talked to a member of the PLO delegation, and not about the speech, and that person said he is going back to Palestine for the first time in 40 years. And I said, "Well, how are you going to feel about the lights of the Israeli settlements?" He said, "I am not worried about those, but if you ask me where my home is, I will tell you that it is in Jaffe, which is a suburb of Tel Aviv. And I have not been there in 40 years. And if you ask my children, who have never been there where their home is, they will tell you that it is in Jaffe."

And I thought to myself, as long as they think this, it is going to be very hard to come to a conclusion. So I think that Arafat never made any effort to break that mindset, and just as for Sharon, it is a really heroic decision to give up settlements having been identified all his life.

The Arab side has to produce somebody who is willing to make the heroic decision for them of recognizing that Israel is there to stay. That this is not a process of gradually wearing down and repeating the crusader experience

I think that this is the psychological turning point that is essential, and this is what one probably should have recognized in Arafat. The problem was that Arafat personally was a very charm-

ing and very intelligent man. So one thought that he would be in the end, and when he spoke English, he didn't use such rhetoric.

But in retrospect, one can see that he was not able. His formative experience was revolution, and the dedication that it requires to go through what he did, and that he just could not change, and that he had to look at negotiation as a stage in a struggle for ultimate victory.

And that is the key contribution that the moderate Arab States and moderate Palestinian leadership must make, to educate their people, to where one is now talking about stages of coexistence, and not stages of a continuing war.

Ms. ROS-LEHTINEN. Thank you, sir.

Chairman HYDE. Mr. Blumenauer.

Mr. BLUMENAUER. Thank you, Mr. Chairman. I would like to follow up on a line of inquiry begun by my colleague, Mr. Berman, talking about the role that Egypt might play. There has been some concern evinced by Members of this Committee that now is past time to change the nature of the assistance that we have given the Egyptian State, much less in terms of military assistance, and much more in terms of trying to provide some economic resources to help the poverty-stricken nation at a time when it is not threatened militarily by anybody in the region.

And it would appear that assisting them militarily is only something that would pose a threat toward its neighbor, Egypt. Do you have some thoughts about trying to realign the nature of the assistance that we give to that country?

Mr. KISSINGER. One reads many criticisms of Egypt, and some of them are quite accurate. But one also has to, in fairness, recognize that the fundamental change in the Middle East occurred when Egypt moved from the Soviet alliance to the American alliance, and that on the whole, Egypt has played a constructive role. That Mubarak has been helpful in the Sharm el-Sheikh agreement. And I don't think that Egypt needs a great deal of pressure and instruction about the desirability of making some progress.

There may be a tendency sometimes to carry water on both shoulders, and to want to make a contribution to peace without giving up some of the radical elements in their own country.

And should there be a different allocation between military and economic resources? I don't think it helps matters if the people that we are trying to move to support a moderate direction are made to appear as if they are doing it under American pressure.

And on the other hand, I don't object to such ideas being around and becoming dominant if necessary. So it is a subtle way. I have never objected when I had to deal with these things due to congressional pressures as long as there was a means of working with the Congress on the modalities to support the foreign policy.

Mr. BLUMENAUER. I am not suggesting that the aid that we offer would be in an effort to pressure, but it just seems that there comes a time when the nature and extent of our assistance would be more effective helping an impoverished country, and that giving them more, and more, and more military assistance serves no realistic need at that time, because there is no place that they can use it except either against their own people or against Israel.

Mr. KISSINGER. In the abstract this is correct, but it has to be laid against these factors. One, to what extent is the support of the military important for a moderate evolution, and particularly for moderates on these Middle East peace negotiations?

And secondly, funds are fungible, and is it better for us if we concentrate on the economic aid, and then they buy their arms in Europe, which they would almost certainly do. And would we really then reduce the reliance on military assistance? Or would we simply change the source of it, and therefore the source of influence?

But this is not something that I—this is something that should be considered. It should be analyzed. I am offering only the criteria by which I would approach an answer if I were considering it.

Mr. LEACH [presiding]. Mr. Barrett.

Mr. BARRETT. Thank you, Mr. Chairman, and Dr. Kissinger, thank you for being here today. And as we talked about the different steps and the different stages of the peace process, I noticed in your remarks that you did not mention the return of the Palestinians to Israel.

Mr. KISSINGER. I am having trouble looking for the person asking the question.

Mr. BARRETT. I am right here. I am the low man on the totem pole. To get back, so that you didn't miss anything, we talked about the different steps, and the different stages in the peace process, and I noticed that you did not mention the return of the Palestinians to Israel.

Do you feel like their return in any numbers, Dr. Kissinger, is a non-starter? And if not, where does it fall into the process?

Mr. KISSINGER. The return of refugees is a sheering problem for the Palestinians, partly for the reason that I gave before. On the other hand, one should not play games with this. It is almost senseless to expect Israel—it is senseless to expect Israel to accept any significant number of refugees, especially in the light of what has happened with the Fatah.

The purpose of what is being done is to separate Palestinians and Israelis and to create a Palestinian State and a Jewish State. And therefore, any significant return except for divided families and human compassion is really excluded in reality.

Now, can one find a formula that expresses this reality in a way that is not totally offensive to Palestinians? Is there some concept that one can develop in which it is clearly understood that this will be the outcome?

But it is not phrased as a precise renunciation. That would require some really thoughtful diplomacy. But before one formulates it, one ought to know where one is going.

Another aspect of the refugee problem is the continued existence of the refugee camps. A sign of good faith of a commitment to permanency is to resettle the refugees from these camps either in the Arab part of Palestine, or in the other Arab States. There is a second and final element, which is not exactly a refugee element, but it is an idea that I threw out at one point. I did not put it in this statement, but which is this: It has been more or less agreed that in return for Israel getting some of the current West Bank territory in order to achieve a better security fence, Israel should give up some of its current 1967 border territory.

This is a concept that has been more or less agreed as a concept, and in fact there have been formal Israeli proposals, most of them in the south, which is a desert. I am attracted by the proposition that the territories that should be returned are territories that have a Palestinian population, and thereby change the demographic balance.

As it turns out, there are also better territories, and there is some support for this in Israel. I have not seen any Arab expression, or Palestinian expression, but if one were really trying to achieve peace, one would try to find also a demographic balance that gives each side a maximum incentive.

So, in short, it cannot be in the interest of a permanent settlement to return significant numbers to Palestine. It is a very hard thing to say. I can say it as an outsider, but for Government officials, it has to be expressed in a more complicated fashion.

Mr. LEACH. Mr. Schiff.

Mr. SCHIFF. Dr. Kissinger, Adam Schiff from California. I am over here to your right. Thank you for being here today. I wanted to ask you about one of the over-arching concerns in the Middle East, and elsewhere, on something that overshadows a lot of what prospects there may be for success in the Middle East, and that is Iran and its nuclear program.

There has been a lot of speculation about under what circumstances Israel might decide to preemptively destroy Iran's nuclear capability akin to the situation in Iraq over 20 years ago.

We do not seem to be moving forward and making much progress with Iran in dealing with their nuclear program. North Korea, I think, just announced today that they have nuclear weapons, and they are dropping out of the Six-Party Talks.

Do you have any thoughts on how we can have a more successful strategy vis a vis Iran and the nuclear problem given its overshadowed role in the Middle East, and the problem of dealing with Iran and North Korea, and future Irans and North Koreas in a way that is more effective?

Can we do this without European help? And if European help vis a vis Iran is essential, can we be more successful with Europe in dealing with Iran's nuclear program?

Mr. KISSINGER. Well, this of course opens a whole new set of issues, and I don't want to appear before this Committee pretending that I have an answer to every question, although with a little encouragement, I can usually be moved in that action.

First, on an Israeli attack on Iranian nuclear capabilities. From the impact of this internationally, it would have the same impact as if the United States did it. It will not inoculate the United States from whatever consequences flow from a nuclear attack or from an Israeli attack on Iranian nuclear capabilities.

So insofar as we have any influence over it, we don't gain anything. Now, if Israel does it independently, it would be a huge decision considering, as I said, that the consequences for us will be the same.

So this question really merges with a question that may arise down the road of whether military means should be used to prevent the Iranian nuclear capability. I don't treat a separate Israel attack as a distinct problem from this.

Now before that point is reached, we need an answer to a number of questions. First of all, how much time do we really have? How imminent is this capability? Secondly, what other pressures is it possible to organize?

I believe that the spread of nuclear weapons to Korea and to Iran will have consequences for international relations that are perhaps the most profound of our period. At the time that I was in government, and in all of the Cold War period, it was a fearful recognition that your acts might unleash tens of millions of casualties.

And yet you had to act as if you were willing to do this contrary to what you knew in many ways. Now, in a two-power world, you can imagine this, and we actually got through 6 or 7 Administrations and came out victorious, although even then if you projected indefinitely, it was a really worrisome phenomenon.

Once you have scores of countries maneuvering against each other on variable criteria, these different implications for different countries, you get into a world very hard to imagine to control.

Secondly, when people say, "Well, they won't attack us from any of these countries because we are still so powerful." Well, first of all, these nuclear weapons equalize the risks more rapidly than any comparable weapon. But they don't have to use it for these purposes. They can use it as a shield behind which terrorists and other groups operate. So in the next few years, we are going to face very fateful decisions as to diplomacy, as to pressures, and as to consequences.

And Israel is a small part of this. For Israel, it could be a matter of life and death, but I cannot conceive a totally independent Israeli decision to go to war against Iran without reference to the United States. And even if it were done, it would be treated as if we had done it.

Mr. LEACH. I would like to make just two quick announcements. One, we are going in order of how people appeared in the Committee, as contrasted also with seniority. So it is a mixture.

Secondly, we are going to have one more speaker before we adjourn. We are going to ask people to return immediately so that we can get started again. In fact, Mr. Issa has left early so that he can return and get started quickly.

So the Committee knows that on the Republican side we have Mr. Royce, Mr. Tancredo, Mr. Mack, Mr. Issa, Mr. Poe, and I will just stop there, and a group to follow. On the Democratic side, Mr. Engel, Mr. Payne, Ms. Watson, Mr. Wexler, Mr. Meeks, Ms. Berkeley, Mr. Smith, and Mr. Cardoza. And at this point, we will recognize Mr. Mack.

Mr. MACK. Thank you, Mr. Chairman, and thank you, Dr. Kissinger. What an honor and a thrill it is for me to be here, and not only be able to listen, but have the opportunity to ask you a question. And it is not something that I take lightly. So thank you very much.

One of the major themes of the President's State of the Union Address was about spreading freedom, security, and prosperity around the world. And earlier this year, Mr. Abbas was elected as President, and would by most think of as a landslide election, which then gives him a mandate, if you will, to seek peace. But at

the same time, there is a tough task of reigning in some of the armed militants in the area.

So my question is a very simple question, I think for you, anyways: What does President Abbas have to do strategically to undermine the militant forces such as Hamas?

What would happen if Hamas then would win a large number of seats in a free and fair Palestinian election, and what can the United States do to help President Abbas destroy—

Mr. KISSINGER. As I indicated before, in my thinking—which is not uncontested on this issue—one has to make a distinction between the page of history and the page of political decisions. And if one looks at the evolution of democracy in the West, it never happened in the relatively brief time periods that we are now talking about. So along the way, one will face impetuous contingencies.

Now in my view, we cannot accept Hamas as a negotiating partner, no matter how it gets into power. A group that is dedicated to the violent overthrow of the other Party in a peace process cannot be accepted for that purpose even if it is democratically elected. So that would mean the end of the peace process and would lead to the consequences of such a conflict.

Secondly, I am not sure that the Palestinians can, by themselves, deal with the issues which you raised. Probably the military force of the Hamas and Hezbollah on Palestinian territory is greater than that of the Palestinian Authority, or at least substantially equal.

And it is not in our interest to promote a civil war on top of the conflict that is already going on. Therefore, the moderate Arab States—Egypt, Jordan—have to assist the Palestinians in some fashion, and by means that they have to determine in solving this problem.

And that is why I think it is important to induce these States to participate in the process, and that they understand that if free rein is given to the terrorist element on the West Bank, the impact on them will be in the long run also disastrous.

So I look at the answer to your question as part of the general participation of moderate elements in the peace process as I have described it.

Mr. LEACH. Thank you, Mr. Mack. The Committee will be in recess. It will be brief, probably 3 to 5 minutes. Thank you.

[Recess.]

Chairman HYDE [presiding]. The Committee will come to order. Dr. Kissinger, did you want to say something before the next question? You mentioned something—

Mr. KISSINGER. Probably we will get into that issue through Mr. Issa.

Chairman HYDE. Mr. Issa.

Mr. ISSA. Thank you. Thank you, Mr. Chairman, and Dr. Kissinger. We were talking during the temporary recess, and I was very interested in the concept of realignment and how it might particularly work. And if you could in your comments explain how stranded citizens, or a realignment that affected either presently Palestinians or presently Israeli citizens, whether they are Arab or Jew, might potentially be dealt with?

And I know that this is a fairly new concept. Also, how the repatriation might work. And then separately, I don't think you have touched on after Gaza—a comparative analysis of how hard is Gaza versus how hard will the next settlements in the West Bank be.

And your comments on how you may think expedientially or logarithmically they might affect. But I think the first part is the one that I am most interested in.

Mr. KISSINGER. On the first question, I want to make very clear that when I said that territories with Palestinian populations should be transferred, that I did not mean that populations should be transferred.

I was addressing the question of the territorial exchange between West Bank, currently West Bank territory to Israel for security reasons, and then in compensation for that, Israel would transfer some of its existing territory. And the point that I intended to make was that in choosing that territory that one would get a demographic advantage if it also included significant Palestinian populations.

Now, the point that you made to me in the recess, and which is an important one, is: If you suddenly start transferring citizenship, what are you saying about the nature of these citizenships and about the existing status of that citizenship, and can you keep doing that, therefore?

And you mentioned to me about the possible concept of dual citizenship for specific groups, which I had not considered, but I think it is worth thinking about. And you mentioned also in your question here the issue of stranded populations.

And there is of course an extremely painful issue for everybody, namely the town of Ariel, which has a population, if I remember, of about 25,000 to 30,000, and which does not meet any definition of contiguous territory. And anyone who knows Israeli realities knows that that cannot be given up.

And then what status should it have? And other stranded populations may appear when discussions turn very serious. One has to reflect on solutions that have to be found for these stranded populations.

Now, you asked me also in your former question here the impact, the differential impact of the settlements in Gaza to the settlements on the West Bank. I think giving up settlements in Gaza, painful as it is, is emotionally comparatively easy.

Gaza has not been part of historic Israel. It is not considered by the religious elements in Israel as a part of the religious legacy. On the West Bank settlements, one comes up against two issues; the religious conviction that this is really divine patrimony; and the political conviction that what Zionism is about is the settlement of Palestine. And that by giving up the settlements, one is giving up the history of the State, and the reversal—and this is why I think what Sharon is doing is such an extraordinarily heroic act.

I would therefore expect that the removal of settlements from the West Bank, wherever it is going to be, a near traumatic event for Israel. It will almost—it will have to follow final status agreements, but it is one argument for having a final status settlement, because to go through this incrementally will produce the experiential danger which you mentioned.

Chairman HYDE. Mr. Engel.

Mr. ENGEL. Thank you, Mr. Chairman, and Dr. Kissinger. It has been a pleasure to listen to you, and I am glad that you made the statements about Palestinian leaders having to live up to their obligations.

If they don't educate their people for peace and compromise, and if they don't dismantle the terrorist infrastructure, and publicly embrace the legitimacy of Israel's existence, then I think it is very difficult to have a positive outcome.

I heard this morning that Israel has suspended some security meetings with the Palestinians because mortar shells fell from Gaza into part of Israel. I believe that one of the things that Mr. Abbas is going to have to do is dismantle the terrorist infrastructure.

I do not believe that a "pretty please," or a cease-fire temporarily is going to work any time the terrorist organizations—Hamas, Hezbollah, Jihad, or whatever—want to disrupt the process.

As long as they have their weapons and they are not dismantled, they can just do it. So I would like to hear your thoughts on that, and I would also like to hear—you mentioned several times that the decision by Sharon to leave settlements in Gaza, given his background, was historic.

How can we use that to convince the Palestinians that a bold move on their part is necessary? Perhaps abandoning this talk of the right to return to two States, which we all know can never happen; or changing the mindset, talking about Jerusalem.

How can we convince the Palestinians to do that? And lastly, you mentioned the Europeans a number of times, and heretofore they have not been very helpful. In fact, there is talk about the Europeans putting pressure on the Bush Administration to try to push Israel for more concessions.

How can we help turn the tables a little bit, and get the Europeans to be more responsible, and to push the Palestinians to a compromise?

Mr. KISSINGER. Well, I think that Abbas is trying to take courageous decisions, and compared to some of the previous positions, he has moved constructively. On the other hand, there are some things which he has not done in terms of disassociation with the terrorist groups that one would like to see him do.

The decision of Sharon to give up settlements, how heroic it was, depends on your assessment of him. There are some people who think that he did this in Gaza as a means of not having to make any other concessions like this further down the road.

I don't believe that. If that were the case, he would run into conflict with President Bush, who has been one of his strongest supporters and the basis for a very successful foreign policy, from Sharon's point of view.

So I really don't believe that Sharon believes that he can make that concession and then sit out 4 years of the Bush Administration without making another significant set of concessions, and any new territorial concessions.

And finally, ultimately, the issue is about territory and refugees, and things of this kind. So that point will be reached. I believe that if Sharon is a strategist, which I believe he is, he did Gaza as a

first step to get his people used to the painful things that are down the road.

And his conduct, his willingness to break up his Party to make a coalition with the previous opposition Party, they all suggest that he has understood that he has the history, or destiny has put him in a place where he can perform a unique service for his people that nobody else has the moral authority to do in a similar way. This is how I interpret what Sharon is trying to do.

Now, you correctly identified an issue, the outsiders—us, moderate Arabs, and Europeans—can facilitate this process by enabling people to get off their preconceptions.

And I have the impression that European leaders who have now maneuvered themselves into a position where they cannot give us full support on Iraq, may try to use the Palestinian issue to reestablish a pattern of cooperation with us within a framework that is compatible with what I have said.

That is at any rate my interpretation of what the Secretary of State is trying to do and—at least in terms of atmosphere—has made progress in doing.

Chairman HYDE. Dr. Kissinger has to leave at 12 o'clock, and so we have two more questioners, Ms. Berkley and Mr. Payne. If they can split 5 minutes, okay?

Ms. BERKLEY. It is not the length of my question. It will be the length of the answer that determines how long it takes.

Chairman HYDE. Well, Dr. Kissinger will answer your question.

Mr. Payne really is next, but he will be brief, I am sure.

Mr. PAYNE. Oh, I will yield to the gentlelady if she is brief.

Ms. BERKLEY. I promise I will be. Thank you, Mr. Chairman, and thank you, Dr. Kissinger. It is truly a pleasure sitting here listening to you speak. I have been on the edge of my chair trying to absorb every word. Congressman Ackerman and Congressman Lantos broached the subject of accountability, and giving more money to the Palestinians. And I would like to pose a question another way.

We know that there are hundreds of millions of dollars that have never been accounted for in foreign aid to the Palestinian Authority over the course of a number of years because of the lack of transparency. Now, I am a great believer in foreign aid. I think it serves many purposes. But on the other hand, I am becoming more concerned that the money that we give, gives us nothing in return. When the Secretary of State was in the area, in the Middle East recently, she pledged \$40 million to the Palestinians.

And I understand in the supplemental that will be coming before us there is another \$350 million for aid to the Palestinians. I am loathe to—we are going to be voting on this soon, and I am loathe to just keep giving handfuls of substantial amounts of money to the Palestinians if in fact there is no accountability, if in fact it does not do anything to further the peace process.

And I am wondering if you have some advice that you can give us on how we can get better response from the money that we are pouring in? Because I agree with you that I don't think that economics is the primary issue here, and I don't think the Palestinian Authority has a lack of money.

So if you could help me with this, I would appreciate it.

Mr. KISSINGER. Well, from the tenor of some of the questions here that I got, there are two kinds of accountability that we are looking for.

One is: Does it help the Palestinian Authority to conduct a moderate and forward looking peace policy? And, secondly: Are they actually spending the money in a constructive way? If we could achieve the first, I would be marginally more permissive on the second. But if we get neither progress nor accountability, then of course we are wasting the money.

I also feel, as we have already discussed, that the American funds ought to be spent in a manner where there is some visibility to the people so that they would see what an American contribution was, even if some economic criteria have to be sacrificed for them.

There has to be accountability, because if you permit that to erode, then it gets worse and worse. But for the next 6 months, or for the next year maybe, I would focus the accountability on the peace process, and work with our aid administrators on whether they can find some projects that have high visibility.

Chairman HYDE. Mr. Payne, are you ready?

Mr. PAYNE. Yes, I am ready.

Chairman HYDE. Okay. Mr. Payne.

Mr. PAYNE. Let me just say that it is certainly a pleasure also to have the opportunity to listen to you. I have been listening to your distinctive voice for many, many years, and it is great to have this opportunity.

I note that the Palestinian Authority has taken on some pretty positive steps in saying that it wants to ban citizens from carrying weapons. They are sending police into the Gaza to try to halt mortar and rocket fire. There is an attempt on Abbas' Administration to try to get the Palestinian Broadcasting Corporation to tone down the anti-Israel rhetoric.

And there has been the temporary calm, 30-day cease-fire, that Abbas has been able to get from Hamas. Do you think, or do you feel, that immediate assistance to strengthen Abbas—if he seems serious about trying to have a peace accord—would be a better approach than some of my colleagues who feel that they would prefer to see maybe Arab Gulf States do more accountable for money under Arafat's time?

But to try to take this new slate to see whether Abbas can actually even combat the so-called Young Turks in the Fatah movement that still want to be militant. I mean, he has got a lot on the plate.

And I guess the question is: How much support do we give him to see whether he is serious about one will? But secondly, whether the Palestinian Authority has the power to accomplish these things that he is mentioning that he wanted to do.

And secondly a real question, and totally off the subject, but Syria—the Syrians have agreed for the first time since 1967, I imagine, to trade with the Arab farmers on the Golan Heights. I think 10,000 tons of supplies will be sold in Syria from the Golan Heights.

And there has been some talk that Syria has tried to make some efforts toward talks that broke down 5 years ago between Israel and Syria. Do you think that this is a breakthrough, and that Syria

may be—well, this is certainly a breakthrough by them trading with the Arabs on the Golan Heights. But do you see more happening between Syria and Israel so that that border can have less of a tension?

Mr. KISSINGER. On your first question, support for Abbas, we have to be careful in general in the way that we talk about the Middle East. That we don't keep talking about people we are supporting and make them look as if they are agents for American policies.

We are supporting them—when we do—because they are pursuing objectives compatible with our own for their own reasons and not for American reasons. This is a point that we should—especially our Government people should—keep in mind when they talk about support for individuals.

On the second point, on Syria, if we had only the Israel problem to deal with, I would be extremely optimistic that a solution can be found. I think that Syria is very eager to get into negotiations with Israel.

Of course, they would have to abandon the Hezbollah activities coming out of Lebanon, and the support for Hezbollah. But on the territorial issues between Israel, they have indicated that they are willing to take up negotiations where they ended, which means they are not insisting as a precondition that Israel agree to all the proposals that they made on territory.

Our big problem with Syria is what help they tolerate or give in Iraq, and the terrorism that they tolerate either from Syria or from the territory that they control in Lebanon. But one could visualize—I mean, if one looks at the positive trends in the Middle East, there are many positive trends one can see, and if they can all be put together in the next months.

Chairman HYDE. Doctor, we have kept you over time, and I am sorry. For Mr. Wilson and Mr. Schiff, we will lead off the next panel with your questions if that will placate you. And, Doctor Kissinger, I want to thank you for another contribution. We appreciate your words of wisdom, and thanks very much.

Mr. KISSINGER. Mr. Chairman and Mr. Lantos, thank you for the manner in which you have received me, and I hope to see you soon again.

Chairman HYDE. So do we. Thank you, sir. If the second panel would come forward. We have Ambassador Dennis Ross, Dr. Ziad Asali, and Ms. Danielle Pletka.

Ambassador Dennis Ross served the Administrations of George H.W. Bush and Bill Clinton as the lead American peace negotiator. His recent book, *The Missing Peace: The Inside Story of the Fight for Middle East Peace*, details the ups and downs of his efforts to bring Israelis and Arabs, especially the Palestinians, to the point of resolving their conflicts. His vast experience and knowledge of all the key players, and their place within their respective societies, allows him to estimate the impact of various possible American initiatives.

Ziad Asali, M.D., is President of the American Task Force on Palestine. Along with Senate Foreign Relations Committee Members John Sununu and Joseph Biden, Dr. Asali and another Palestinian American, Mr. George Salem, were the principal members of the of-

ficial United States Observation Delegation to the January 9th Palestinian Presidential election. Dr. Asali also served as President of the American Arab Anti-Discrimination Committee, known as the largest grassroots Arab-American organization in the United States.

Ms. Danielle Pletka is Vice President for Foreign and Defense Policy Studies at the American Enterprise Institute. For 10 years, she was the staff member responsible for the Middle East and South Asia when the Republicans on the Committee on Foreign Relations were led by Senator Jesse Helms. She has been critical of some of the efforts of the past Administrations to resolve the Israeli-Palestinian conflict, including aspects of the Clinton Administration's support for the Oslo process. So we look forward to hearing from her.

So if we can proceed, we will start with Ambassador Ross. Your full statements will be made a part of the record, and if you can encapsulate them, we can save a little time for questions.

STATEMENT OF THE HONORABLE DENNIS B. ROSS, COUNSELOR AND ZIEGLER DISTINGUISHED FELLOW, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Ambassador ROSS. Thank you, Mr. Chairman. I will extract from the statement that I have submitted to the Committee, and I want to apologize in advance. I have a plane to catch, and so I will have to leave at 12:30 sharp. Let me encapsulate with some greater concreteness, I think, what I think needs to be done now, but put it in a certain perspective. One, there is in fact an opportunity right now, but we have to understand what the opportunity is for.

It is not an opportunity to make peace between the Israelis and Palestinians right now. Neither the Israelis nor the Palestinians can deal with the core issues of Jerusalem refugees and borders. In the year 2000, we were negotiating those issues. We are not in a position to deal with those issues today on either side.

That does not mean that this is not an important moment. It is an important moment because there is a chance to end what has been a war for the last 4 years, and ending that war is the key to being able to return to making peace and creating a context where we can again deal with the core issues of the conflict. So that is the first point.

The second point is that there are several factors that are producing this moment. The first is that Yasir Arafat is no longer there. He was an impediment to change between the Israelis and the Palestinians, but he was also an impediment among the Palestinians.

There was no possibility of ending the violence, coexistence, and there was no possibility of reforming the Palestinian Authority and transforming it, and building institutions and a rule of law.

You have now, however, someone like Abu Mazen. Mahmoud Abbas is someone who I have always known as Abu Mazen, and so it is hard for me to refer to him as Mahmoud Abbas, and so I will refer to him as Abu Mazen.

Abu Mazen is someone who has been against the violence all along. He has said it is wrong. Not just that it is counter-productive, but that it is wrong, number one.

And, number two, he is also profoundly committed to the reform process. He believes in sharing power, and he believes in building institutions. He believes in the rule of law. He believes in the elections. All of this is very different from before, and so it adds to the moment.

Third, you have Ariel Sharon's decision to withdraw from Gaza, and the northern part of the West Bank. There is a tendency to forget the fact that his proposal, his plan, is also involving very small settlements in the northern part of the West Bank.

The significance of that is that when the Israelis leave that area between Jenin and Nablus, it is actually leaving an area that is twice the size of Gaza. So it is significant.

And he has the national Government now that gives him the political base on which to implement his plans. We also have the Egyptians and the Jordanians making it clear that as Israel withdraws, they are committed to helping the Palestinians with stabilization. That is an important piece and it was not prominent before.

And lastly we now have the Bush Administration in its second term making it clear that it is prepared to be active in a way that is clearly beyond where we were in the first term, but is a reflection of the President saying that he is prepared to expend his political capital on this issue. I think that is significant, and it will be necessary.

Now that is the good news. What is the rest of the good news? What are the limits? Well, we heard a little bit about it this morning. Abu Mazen's intentions—and I say this with enormous personal experience with him—Abu Mazen's intentions are very good.

His capabilities are not up to the same status, the same level, as his intentions. He has a strategy. It is a strategy not of confrontation. It is a strategy of coaptation.

It is a strategy that is basically designed to preserve calm, use that to build his authority, use that to show this really works, and use that to get elections on the Palestinian side carried out; create a political process where Hamas, Islamic Jihad, the Al Aqsa Martyrs Brigades, and the others that have opposed peaceful coexistence, become bound by a political process, where they can express themselves locally, but they can't carry out violence.

He wants to create a rule of law and under the rubric of the rule of law, those don't live up to the law, he will then deal with. Now that is not a strategy that can be achieved instantly.

Clearly, if I can describe the strategy, Hamas understands it as well. Will they go along with the strategy? In the near term, they will go along with the strategy for a simple reason. Abu Mazen does have a popular mandate right now.

It is not a mandate to reverse Arafat's positions on Jerusalem, and refugees, and borders. It is a mandate to end the chaos, and end the violence, and restore normal life. Palestinians crave a restoration of normal life. Hamas understands that, and in the near term, they will go along with him, I think, to preserve calm generally.

But you can count on the fact that they will not go along with it over time. They will contrive all sorts of reasons as to why they are not responsible for defecting, but the Israelis are—either be-

cause settlement activity is continuing, or because as they call it the wall is still being built, or because not enough prisoners have been released.

Or as we saw today, there was actually a barrage of 46 mortars that were fired in Gaza. The explanation from Hamas was that there was a Palestinian who was killed outside of a settlement in Gaza yesterday, and this was a retaliation.

Well, if that is the character of the cease-fire, it is not going to last very long. So the real issue that we have to understand is that we are in a race against time. It is a race designed to build Abu Mazen's authority, to show that his way works, to demonstrate that there are tangible payoffs for the Palestinian public.

So the more that his stock goes up, the higher the cost to Hamas and others of resisting or defecting from the calm, the truce, that he has put together. What does he need to prove this? He needs several things.

One, he has to show that life gets better economically. Today in Gaza, 60 percent of the population lives under \$2.00 a day, lives on less than \$2.00 a day. Forty percent in the West Bank live on less than \$2.00 a day.

So there has to be a tangible change in terms of economics and the payoff is tangibly on the ground. We need to be specific: Labor intensive kinds of projects that put people back to work. And I am going to suggest a little later, when I make a series of recommendations, that we should focus on housing as a major immediate tangible project that needs to be underway quickly.

He needs, as well, to show that he is able to produce freedom of movement. Every Palestinian in the West Bank in particular is limited by the kinds of checkpoints that exist now. The Israelis, Prime Minister Sharon, as part of the settlement, has made it clear that there will be a lifting of major checkpoints.

But this is a process that was also designed as a process, and it is not going to happen all at once. The sooner, the clearer, and the most expansive the freedom of movement, the better for Abu Mazen. These are very important for building his stock, but they won't be sufficient.

He is also going to have to show that he is not in a position to do Jerusalem borders and refugees today, because he can't. He can't adjust his position on those, and it is fallow for us to try to push him in that direction right now.

But he also has to show that there is a political pathway there. He has to show that his way is going to produce for Palestinian national aspirations, and that those aspirations and what is important to Palestinians has not already somehow been precluded.

So what does he need, and what will he grab on to? He will grab on to the roadmap, because the roadmap gives him an explanation: Look, we have a pathway. Now, here again we begin to see some of the problems that we are going to have to contend with.

There are elements in the roadmap, I can tell you, in the first phase that Ariel Sharon will be reluctant to carry out right now, because he has made the decision to withdraw from Gaza and it has produced enormous opposition within his own Party. Because he faces a potential of even violent opposition from some of the settlers, he is not interested in acting against, or dismantling the un-

authorized settler outposts that phase one of the roadmap says he is supposed to dismantle.

He is not, I think, going to be particularly interested right now in moving on freezing settlement activity, including national growth, given what is, from his standpoint, the bigger issue of Gaza withdrawal, which in fact represents an aberration under the roadmap, but in the third phase, and not the first phase.

So he will say, "Look, I have leapfrogged some of my obligations on the first phase. I am doing what is really called for in the third phase, and by the way, Abu Mazen isn't dealing with his obligations in the first phase, because the obligations in the first phase for the Palestinians are making arrests, collecting illegal weapons, and dismantling"—and these are his exact words—"dismantling terrorist capability in the infrastructure."

And Abu Mazen's view is that he can't take that on now. He has to clear the context to take that on. Now that is not an argument to say that these are insuperable problems. It is an argument to remind us that while the roadmap may be useful for each side, its content, its meaning, its sequence, its timing was in truth never really negotiated.

One of the things that we have to do is recognize that here is an unknown, and our role is to help create a bridge between what is happening now and how you would flush out the roadmap over time.

There is a second unknown, and I referred to it implicitly already. The character and the understandings related to this truce, this cease-fire, are very vague. They are very general. What is its definition, what is expected, and what is permitted? Can Hamas, as an example, reconstitute its capabilities to carry out attacks again? Is that part of this?

Is it part of it or is it not part of it, and what is the Israeli threshold for dealing with that? What happens if there is a violation? What is the mechanism for dealing with that and what might the Israelis do?

Here again an unknown. These are two unknowns that we are going to have to deal with very quickly if, in fact, we are going to win the race against time. So with that in mind, let me make five recommendations on what needs to happen now.

First, the most important issue out there is securing the cease-fire. If that falls apart, Abu Mazen is not going to succeed with the reform process and the transformation process, and we are likely to see the whole question of Gaza withdrawal become much more problematic.

To secure that, I am very pleased that Secretary of State Rice has announced that she has appointed General Ward to be a security coordinator and security monitor. I would hope that he would go to the area very, very soon. And I would hope that he would conduct not just bipolar or bilateral meetings, but trilateral meetings with ourselves and the two sides, and have them explain in his presence what is the cease-fire, and what are its limits, and is there clear understandings and where are there gaps, so that he can see them and try to normalize them. If we don't secure the cease-fire, we are not going very far.

A second critical issue is the economic question that I already raised. We have a British conference to deal with Palestinian political security and economic needs the first week of March. We should be doing everything that we can in advance of the first week of March to ensure that there will be projects that emerge from that conference that are tangible and concrete, and can materialize quickly.

And this I think is a very strong argument for focusing on a project like housing. I want to pick up on what I heard from Congressman Lantos. We have oil-rich states who not only have not fulfilled their pledges from the past, but even those who are fulfilling their pledges, the pledges are not exactly gigantic, and these are those with at least \$45 billion in oil windfall revenues. Here is something that they should be called on now in public to play their part. As you said, if we are contributing something, they should as well. Here is a British conference. Here is a perfect opportunity to call for them to make specific commitments at that time in 3 weeks so that you can move quickly on something like housing.

A third important area which has not gotten attention this morning, but it needs to, and I am going to make it now: The greatest single threat to Abu Mazen's success in the coming year comes from Iran and Hezbollah. Hezbollah today is basically offering anywhere from \$20,000.00 to \$100,000.00 to the different groups to kill Israelis. Now, when I was out there a few weeks ago in Gaza and Ramallah, one of the things that I heard from Palestinians was that they saw the greatest single threat to Abu Mazen, including his personal well-being, was coming from Hezbollah. Now the British, the French, and the Germans, are in a negotiation right now with Iran. Iran underwrites Hezbollah to the tune of about a \$100 million a year. They are in negotiation, and we should be working with them not only on the nuclear issue, but on this issue. The Europeans make it clear that they care about the Israeli-Palestinian issue. If there is a chance to succeed, this issue has to be put on a central plain with the Iranians, and a spotlight has to be shown on it by the Europeans, and not just by us, to raise the costs to what they are doing.

A fourth area that also gets to something that was discussed, but I am going to be a little more concrete and focus on it in a way that it really has not been focused on up until now. We need the moderate Arab States. It is not just the issue of incitement. As much as I care about incitement, the real issue is the delegitimization of violence. It is not just what is in the media. Abu Mazen has declared that violence is wrong. He has declared that there has to be a non-violent approach in negotiations as an answer. We need a collection of Arab leaders to stand up and say, "Abu Mazen is right. The violence is wrong. It will not produce a Palestinian State. We support what he is doing." We need them to do that because we need them to raise the costs to Hamas, Islamic Jihad, the Al Aqsa Martyrs Brigade, and others, who may think about defecting from the Abu Mazen approach. We need to create an umbrella of legitimacy over the issue of nonviolence behind what Abu Mazen is doing to build support for him. It will strengthen his hand internally.

And lastly, we need to be very active ourselves. I am going to recap on this point by saying we need to be active on how we secure the cease-fire, and we need to be the bridge. We need to provide the bridge between what is in fact the cease-fire and the obligations of the roadmap. So even as we secure the cease-fire, we recognize a cease-fire, because that is all it is, and is itself not going to be sustainable. That is why it has to be connected to something else or we will see it collapse over time. Cease-fires are not new in this part of the world. We are trying to make this one different.

If we understand what is at stake, and if we understand the race against time, and if we understand the different levels that we work at, and we take advantage of this moment and build on it, we will find that not only do we see a responsible passing of leadership for the first time in the history of the movement, but we will find as a result of that, the cease-fire holds, and the withdrawal from Gaza works out, and we build a basis on which to go back and deal with the core issues.

And if this does not work, and if we don't take advantage of this moment—and I view the moment measured in 6- to 9-months time—if we don't, nothing is going to change. And I can come back here a year from now and we will be lamenting the moment that was lost. Thank you very much.

[The prepared statement of Mr. Ross follows:]

PREPARED STATEMENT OF THE HONORABLE DENNIS B. ROSS, COUNSELOR AND ZIEGLER DISTINGUISHED FELLOW, THE WASHINGTON INSTITUTE FOR NEAR EAST POLICY

Ariel Sharon and Mahmoud Abbas have now met and declared an end to ongoing hostilities. Are we about to see peace made between the Israelis and Palestinians? No, but we may finally see an end to the war that has governed the daily reality of Israel and the Palestinian Authority since 2001.

Several factors should give us hope about the possibilities for the future. First, Yasir Arafat is gone and he was an impediment to change not only between Israelis and Palestinians but among Palestinians as well. Second, Mahmoud Abbas—someone I have always known as Abu Mazen—is committed to non-violence and having the Palestinian society characterized, in his words, by “one authority, one weapon, and political pluralism.” In other words, he is for peaceful coexistence with Israel and for law and order and democracy for Palestinians—a far cry from the chaos, corruption and violence of Yasir Arafat's regime. Third, Ariel Sharon has committed himself to withdrawing from Gaza and the northern part of the West Bank, and he now leads a national unity government with the Labor party that provides a political base to implement his plans. Fourth, Egypt and Jordan are prepared to work with the Palestinians and Israelis to help stabilize the situation, particularly as disengagement proceeds, and this may be especially helpful to Abu Mazen's efforts. Fifth, Secretary of State Rice has signaled clearly that the Administration intends to play a more active role and that will certainly be necessary.

While the current situation offers real promise, there are formidable obstacles to consolidating the ceasefire and moving into a credible peacemaking process. Abu Mazen's intentions are one thing. His capabilities are another. The good news is that his election has given him a mandate to reverse the Arafat legacy of chaos and violence. The Palestinian public craves a normal life and Hamas, Islamic Jihad and others understand this well. That provides Abu Mazen leverage, and he seeks to use it to produce a period of calm, employing a strategy of cooptation, not confrontation. He hopes to buy time, show his way works, preside over elections at the municipal and national levels, and impose a rule of law. Taken together, he believes, these steps will build his authority and bind Hamas and others so that if they violate the rules, the Palestinian Authority will be justified in imposing a price.

Naturally, Hamas can also see what he intends. Though it is unlikely to go along with Abu Mazen's plans for an extended period of time, it probably will go along with the truce in the near term. But over the next few months it will undoubtedly cite Israeli behaviors as insufficient regarding prisoner releases, ongoing settlement

activity, or continuing construction of the Israeli security barrier. Moreover, the desire to take credit for Israeli withdrawal from Gaza may motivate it to carry out attacks and breach the ceasefire.

What this suggests is that we are in a race against time. The key to Abu Mazen's strategy is to show sufficient and immediate benefits from his leadership in order to raise the cost to Hamas of violating the commitment to end all attacks. In practical terms, Abu Mazen must be able to deliver quickly on increased employment and economic opportunities. Currently 40 percent of Palestinians live on less than two dollars a day in the West Bank, and 60 percent live on less than two dollars a day in Gaza. Palestinians must also regain freedom of movement in the West Bank. Every Palestinian will feel the change if they suddenly don't have to wait in long lines at Israeli checkpoints.

While Abu Mazen doesn't need to deliver soon on the core issues of Jerusalem, borders, and refugees because expectations are low and he has no mandate to adjust Arafat's uncompromising posture, he does need to show that his way offers a pathway to fulfilling Palestinian national aspirations and that issues that matter to Palestinians have not already been resolved. And here the roadmap to peace offers him an explanation. After all, it provides a three phased approach to achieving an independent, viable, and democratic Palestinian state coexisting in peace and security with the Jewish State of Israel. We are already hearing Abu Mazen emphasize that the steps taken at the Sharm el-Sheikh summit constitute part of the first phase of the roadmap.

Clearly, Abu Mazen needs responsiveness from the Israelis to show his way (the way of non-violence) works. And Prime Minister Sharon by agreeing to stop military operations everywhere, pull back from five cities in the West Bank, and end targeted killings is trying to do his part. But Abu Mazen's needs will exceed these initial steps and that is one reason why he emphasizes the reactivation of the roadmap. In the first phase, Israel is supposed to dismantle all the unauthorized settler outposts and freeze all settlement activity, including natural growth. At a time when Sharon is facing significant and potentially violent settler opposition to his planned withdrawal from Gaza, he is unlikely to want to add to his difficulties with the settlers by taking these steps. He is likely to justify not acting on the outposts or settlement activity by arguing that he is leapfrogging his first phase obligations and acting on Israel's third phase obligations with the Gaza withdrawal at a time when Abu Mazen is not fulfilling what the first phase of the roadmap requires from the Palestinians.

Here some of the problems certain to emerge begin to come into focus. Abu Mazen's plans call for reaching an understanding with all the Palestinian factions to stop attacks against Israelis. But in the first phase of the roadmap the Palestinian Authority is supposed to make arrests, collect illegal weapons, and dismantle the terrorist capabilities and infrastructure. Is he likely to take any of these steps against groups with whom he has just concluded understandings on a ceasefire? Obviously not—but that need not be a problem if understandings are reached with Israel on the meaning, sequence, and timing of both sides' obligations under the roadmap.

Such understandings or agreements on the roadmap won't materialize on their own. Similarly, the cessation of hostilities or the truce that has now been declared will require ongoing implementation and the removal of ambiguities. For example, do both sides have a common view of what the truce is and is not? Do they share the same understanding of what would constitute a violation? Do they agree on what will be done in the event of a violation? Do they have the same view of activities permitted under the truce—e.g., can Hamas reconstitute its capability for conducting attacks against Israelis?

What I am suggesting is that much needs to be done first to secure the truce and to build on it in a way that creates a bridge to the roadmap. The roadmap remains largely undefined with each side interpreting the other side's obligations maximally and its own obligations minimally. Nonetheless, it is an agreed framework and both sides can use it politically to justify their actions. It, too, however can't implement itself.

So what should the United States be doing? Our first concern must be on pinning down the meaning of the truce and its ground-rules, while also removing any open questions or gaps in the expectations of the two sides. Secretary Rice's appointment of General Ward is an excellent step and he needs to get with the two sides soon and have them explain to him in a three-way meeting what they have agreed on and what happens in the event of a violation.

Second, we need to make sure that our assistance—and that of others—goes into labor intensive projects that put Palestinians back to work and meet real Palestinian needs. With the British hosting an international conference on Palestinian

political, security, and economic needs the first week of March, we should collectively identify tangible projects—such as massive housing construction—that could begin to materialize soon. The United States and the European Union should publicly call on the Gulf oil states (who have had tremendous windfalls in oil revenues) to come to the conference ready to invest in such projects immediately.

Third, recognizing that calm is the key to taking advantage of the current moment and building on it, we also need to coordinate closely with the British, French, and Germans, on their approach to Iran—and not only on the nuclear issue. Hizbollah is generously underwritten by Iran and it is currently the greatest threat to an enduring ceasefire. Hizbollah is actively pressing (and even offering very large financial payments to) Palestinian factions, including the Al Aqsa Martyrs Brigade, to kill Israelis. Given the importance that the Europeans attach to promoting Israeli-Palestinian peace, it is essential for them to make this a central agenda item in their discussions with Iran and to be clear that they intend to shine a public spotlight on Iran's efforts to disrupt Israeli-Palestinian hopes for peace.

Fourth, we need to get Arab leaders to collectively endorse Abu Mazen's commitment to ending the violence. In Palestinian political terms, it would help to have an Arab umbrella of support for ending violence; it would strengthen Abu Mazen's hand and raise the cost to Hamas and others of violating the ceasefire.

Fifth, we must also begin to work with the Israelis and Palestinians to ensure coordination on the Israeli withdrawal from Gaza and fleshing out the meaning of their respective obligations on the roadmap. Should we not do that, problems will soon begin to emerge as a result of different expectations on settlement activity and security obligations.

There is, as Secretary Rice has said, a very promising moment now. The challenges, however, are clear. If we act to capitalize on the moment by preserving calm, managing the Israeli withdrawal from Gaza and the northern part of the West Bank, and demonstrating that non-violence and reform pay off for Palestinians, everything will become possible. If not, it will be many years before we see another opening to end this historic conflict.

Chairman HYDE. Thank you very much, Ambassador. Because you have to leave us so quickly, I am going to ask Mr. Wilson if you have a question of Dr. Ross.

Mr. WILSON. Yes, and thank you, Mr. Chairman, and thank you, Ambassador Ross, and I am really encouraged to hear what Dr. Kissinger said, and what you said, and you have really itemized a number of positive developments, and the moment and opportunity that we have now.

And I was very pleased, too, that Dr. Kissinger indicated that there were other numerous positive trends, and we are so used to hearing tragedy and dilemma. I would like to hear some of the other positive trends that may be. For example, I was interested to hear about trade at the Golan Heights between Israel and Syria. That is astounding to me. I had not heard about that. And it may appear to be small, but I find it extraordinary.

So are there other trends that you would like to identify? And you did in your presentation mention quite a few, too.

Ambassador ROSS. Well, as I said, I see a convergence of interests. One overriding one, which I did not mention, which is just again between the Israelis and the Palestinians, both Abu Mazen and Prime Minister Sharon have an enormous stake and commitment to the calm.

There is a convergence of interest for Abu Mazen. He can't achieve anything that he wants to achieve if there is not calm. And also for Prime Minister Sharon, the ability to carry out the withdrawal from Gaza and the northern part of the West Bank is heavily influenced by whether or not there is a environment of calm.

So the fact that they have such a strong convergence of interest is, I think, useful. There are other trends in the region that I think are less hopeful. When I look at Syria, I am not as optimistic as

Dr. Kissinger was, although I think if he had had a fuller discussion, he might not have been either.

It is true that I think that the Syrians would like to go back to negotiations, but I can tell you as a veteran of this process and as someone who negotiated at a point where we came very close to reaching an agreement in the year 2000, and probably would have reached an agreement in the year 1996 had it not been put off for 90 days, and then a war developing between the Israelis in the spring of 1996.

I think in fact that the Syrians will demonstrate their seriousness on this issue if it is very clear that they are not prepared to allow Hezbollah, Hamas, and Islamic Jihad, to subvert any peace process at a moment of their choosing. We have not seen any behaviors from the Syrians of that kind of attitude changing. Right now we see, and I can tell you—I mean, I have—I mean, a lot of the Fatah younger guard that wanted to ensure the stability of the cease-fire, many of them who I know quite well, they have recently gone again to Damascus. Why? Because they are meeting there to try to encourage the Hamas on the outside to go along with what is a cease-fire and not disrupt. We have the leader of Hamas in Damascus, Khaled Mashal, meeting with the leader of Hezbollah this past week, A-Zahar.

That does not strike me as being a particularly hopeful development because it suggests to me that their focus is on subverting this and not making it happen. If the Syrians want to be a part of the process, I think we should be open to that, but we should also be clear to them what it takes for them to demonstrate unmistakably that they are serious about wanting to pursue it.

One thing is that a good starting point is for them to help ensure and secure this cease-fire between the Israelis and the Palestinians, and they can given their influence on the Hamas and Islamic Jihad that are in Syria, and also their ability to also affect Hezbollah behavior.

Mr. WILSON. Another point that I was interested in is that so often people say, let us do good without being specific. But you clearly identified a promotion of housing, and also to address the sad state of \$2.00 a day economic income. How can America help in promoting housing?

Ambassador ROSS. Well, I think one thing that we can do is just make it clear that this is a project that we want to see happen. This is a perfect opportunity for a public-private partnership to invest in it.

In fact, this is one of the areas that we should focus on. And one reason that I focus on it is, not only is it labor intensive, but Palestinians used to make up the backbone of the construction industry in Israel. So there is a capability there. There is something called Sheikh-Zaib City, which is a series of apartment complexes that have been built recently by a Palestinian construction company, and would be a good model. You already have a basis in which to offer bids and tenders.

You have people who have the know-how for doing it, and the real issue here is how best to finance it. Certainly some of our assistance could go into it, but I would put a premium, for example, on calling on the Gulf States.

This would be an absolute perfect opportunity for them to provide an immediate infusion of funds and the housing that should be provided should be low-cost subsidized housing so that the crushing housing need within Gaza, which has the greatest population density in the world, and the unemployment levels in Gaza, which are so high.

When I drove through Gaza a few weeks ago—and I had been in Gaza hundreds of times—I saw something that I had not seen in the past. Literally everywhere I drove, I saw large numbers of young men standing around having nothing to do. Well, that is a prescription for real trouble.

Mr. WILSON. I want to thank you, and it is also a recognition that Palestinians around the world are business leaders. And so there is certainly an ability and entrepreneurial spirit. Thank you very much.

Ambassador ROSS. You are welcome.

Chairman HYDE. Thank you, Mr. Wilson. We will let you go, Ambassador Ross. But we give the final word to Mr. Lantos, who has a commercial in mind.

Ambassador ROSS. Well, I never object to those.

Mr. LANTOS. Well, Mr. Ambassador, first of all, thank you for your excellent testimony. I also want to publicly thank you for having published an extraordinary book.

Ambassador ROSS. Thank you.

Mr. LANTOS. And all of us who are interested in the region and contemporary studies are deeply in your debt.

Ambassador ROSS. I appreciate that very much, and Congressman, as I make a tour around the country, you are welcome to join me any time. Thank you. And I thank the Committee.

Chairman HYDE. And thank you. Next, Dr. Asali.

STATEMENT OF ZIAD ASALI, M.D., PRESIDENT, AMERICAN TASK FORCE ON PALESTINE

Dr. ASALI. Thank you, Mr. Chairman. Dennis, before you leave, I want to tell you that I associate myself pretty much completely with your opening statement. I share your sense of urgency and the need to take action quickly to support Abu Mazen. Thank you.

Mr. Chairman, and distinguished Members of the Committee, thank you for giving me the privilege to be here with you today. The American Task Force on Palestine holds that creating a State of Palestine, and living alongside Israel in peace is vital to the national security of our country.

We are gratified by the diplomatic progress that has taken place this week. Last month, it was my honor to be a member of the delegation of our Government sent to observe the Palestinian elections. For me, this meant returning to my hometown, Jerusalem—my birthplace, and the home of my forefathers—to bear witness to the birth of democracy.

By their vote, Palestinians gave the most eloquent response to those who would paint them all with a broad brush of terror and fanaticism. The elections were well organized and certified by over 800 international observers as free and fair.

We heard of no evidence of fraud or of any Israeli intervention. As President Bush has stated, the future of humanity lies with

freedom and democracy. The Palestinian people have created their democracy. Now they must have their freedom.

There are no people on earth who need freedom more than the Palestinians, who have lived under the longest military occupation of modern times. Mr. Abbas is a President without a State. He has courageously staked his political future, and perhaps even personal safety, on achieving freedom for his people through peaceful negotiations.

To succeed, he needs the support of all responsible parties. He understands the need to restructure the Palestinian Authority. There can be no compromise on a disciplined and accountable security system. Without security and the rule of law, there is no hope for peace.

The Israeli Government can either help or hinder the credibility of President Abbas. We all know what is needed: Fewer checkpoints; the release of prisoners; the end of humiliation; relief from the violence of settlers and IDF; military withdrawal; and of course creating no new realities on the ground, such as settlement growth, home demolitions, land confiscation, isolating Jerusalem, and building the barrier on Palestinian land.

Both parties have responsibilities under the roadmap, and the onus cannot be on the Palestinians alone. Helping President Abbas to deliver results for his people must be as much a litmus test for Mr. Sharon's credibility, as Mr. Abbas' moves on security are properly a test of his.

Mr. Abbas' mandate may be tested in upcoming municipal and legislative elections in the next few months. It is imperative that the Palestinian Government has the resources needed to deliver services to its people, or others will fill the void.

President Bush has said that the Palestinian State can be borne before the end of his second term and has reiterated his commitment to his speech of June 24, 2002 and to the roadmap. The high expectations of this moment need to be reflected in a palpable improvement in the daily lives of the Palestinian people.

President Bush has expressed confidence in Finance Minister Salam Fayyad, who posted the Palestinian budget on the Internet to assure transparency and accountability. He understands that Mr. Abbas needs substantial assistance.

He had sent Secretary Rice to visit the region for her first trip abroad, designated Lieutenant General William Ward as Security Coordinator, and has asked Congress for \$150 million in fiscal year 2006 economic assistance and an expected \$200 million in the upcoming supplemental request.

Our President is asking you to lend him your support, your bipartisan support, for this tangible and timely assistance. What needs to be accomplished this year are three tasks.

One, establish a close security cooperation with active U.S. support. Prompt activation of committees established at Sharm al-Sheikh with scrupulous implementation of agreements by both parties. Two, both parties implementing their commitment under the roadmap as they coordinate the disengagement plan. Three, reforming and reconstructing the Palestinian Authority. With engaged United States participation, these tasks can be accomplished.

Palestinians need to create order and security, and Israel must refrain from all measures that prejudice final status outcome. Both parties must abide by commitments that they make and by the conditions of the roadmap.

We can lay the foundations for a strategic realignment, where Palestine will be an ally of the United States and a partner to Israel in peace. Ultimately security and peace will be achieved by establishing a viable, contiguous, independent democratic Palestinian, with a shared Jerusalem as the capital for both States, and a fair solution to the refugee problem according to international law.

The painful concession that Israel must make is to return the occupied territories to their rightful owners. There are those in Palestine, Israel, and the Arab world, as well as the United States, who are opposed to a peaceful vision of two States.

We will hear their belligerent words, and we should anticipate their nefarious deeds. Our challenge is to build tangible benefits that promote a culture of reconciliation and peace, and defeat the forces of hate and violence.

Peace in Palestine will deny demagogues and terrorists, the most potent weapon in their arsenal. The urgency of timely intervention cannot be overstated. What all parties do and do not do in the coming months will determine whether this glimmer of hope becomes a dawn of a new era of peace, or proves merely the twilight before another long night of conflict and chaos.

We must act decisively and immediately in the interests of the Israeli, Palestinian, and Arab peoples, and above all, in our own American national interests. Thank you for your attention, and I will be pleased to answer any questions you may have.

[The prepared statement of Mr. Asali follows:]

PREPARED STATEMENT OF ZIAD ASALI, M.D., PRESIDENT, AMERICAN TASK FORCE ON
PALESTINE

Chairman Hyde, distinguished members of the Committee:

Thank you for giving me the privilege to be here today to discuss with you the future of peace in the Middle East.

The American Task Force on Palestine was founded to promote the view that creating a state of Palestine, living alongside Israel in peace, is vital to the national security of our country. We are gratified by the diplomatic progress that has taken place this week.

Last month, it was my honor to be a member of the official delegation our government sent to observe the Palestinian elections. The group was comprised of eight members: Senators Biden and Sununu, two Palestinian Americans—I being one of them—and four senior Senatorial staff members who were later joined by the U.S. Consul General in Jerusalem. In an intense and compact program we met with the two Palestinian front runners and, separately, with the Palestinian and Israeli Prime Ministers, the leaders of the International Observers, President Carter, and Prime Ministers Rocard of France and Bilt of Sweden. We also met with the President of the Palestinian Election Committee and his senior staff.

To me, and perhaps to others, by far the most fascinating and energizing part of this trip was the contact with the Palestinian people. We visited eight voting stations. Three of these were in Ramallah and Al-Bireh, four in Jerusalem—at Jafa Gate, Shufat, Al-Tour Mount Scopus, and Salaheddin Street—and finally, at closing time, we visited Bethany Al Ayzariyyeh to observe the closing of the vote and counting of ballots. These places were the stomping grounds of my youth. No experience in my life can match the singular mix of emotions that I felt that day. A host of passions swelled within me, a sense of pride and humility, of strength and vulnerability, hope and trepidation, a sense of identity and identification as I moved around people familiar and not so familiar. Here I was, a member of my country's delegation to my home town, the place of my birth and the home of my forefathers,

come to bear witness to the birth of democracy, and to the promise of an independent state. I felt the overwhelming sense of being part of a significant piece of history in the making.

I went around asking many questions: "How do you feel? Has anybody intimidated you? Bribed you? Tried to dissuade you from voting? Or to prevent you from traveling?" The answer was uniform and consistent: "No, no one did." After getting over their early suspicions, many of them were eager to talk. The 85 year-old grandmother assisted by two of her grandchildren told me, "This is my right." The middle aged professional woman said, "We did not need a campaign. We know what we are doing, and we know whom to vote for." And there were the young men insisting on visiting all stations in Jerusalem until they found the one with their names listed. The children were playful and at one point, broke out around us in a chant about the elections. Pictures were taken. Adults were somber. They did not know what to make of me. I was one of them, yet I was with the Americans. Many of them asked questions of me and I answered them. They asked, "Are the Americans serious?" They asked, "Do you think Bush will do something?" "Yes, yes," I said, "as long as you do what you are doing now." I shook hands, talked about their lives and mine and communicated silently with strangers and knew that these people sensed the weight of the moment. They did their part; they stood peacefully and silently in lines, and, by their vote, they gave the message to the world about the dignity of a people voting under occupation to seek freedom from occupation. By their vote, Palestinians gave the most eloquent response to those who would paint them all with the broad brush of terror and fanaticism.

The Election Committee prepared for these elections for two and a half years coping with life under occupation, under conditions of siege, with check points, restrictions of mobility and of communications. Teachers, both men and women, volunteered to work at the election stations which were headed by school principals. The committee, and the people, performed admirably. Dead people did not vote, no one voted twice and there were no chads. People stood in line in quiet dignity and in numbers. No harsh words were exchanged between candidates or their supporters and there were no serious accusations of fraud. Palestinian democracy was off to a solid start.

There were some problems. The Israelis and Palestinians negotiated a deal for the Palestinians of Jerusalem to vote in 1996. Only a small fraction was allowed to vote in the city while the majority had to vote in the West Bank. Those who voted in Jerusalem had to do so at the post offices by posting their vote in mailboxes so their residency status will remain unresolved. The same rules of 1996 applied during this election. Fewer than six thousand people were allowed to vote in the city and around one hundred and twenty thousand had to vote in the West Bank. Many Jerusalemites were unable to vote in their neighborhoods because their names were not on the list. We heard many stories about individuals who moved to several stations before they eventually went to the West Bank where they could vote. Some gave up. By noon time it was clear to the international observers and the election committee that many people who wanted to vote had difficulties, so the stations were held open for all qualified voters and the hours were extended until 9 pm rather than 7 pm. Some staff members of the election committee objected to the change of rules to extend voting time to 9 pm. Several members resigned later on over their concern for the integrity of future parliamentary elections but they clearly mentioned that they believed that the changes they objected to had no impact on the outcome of current elections. None of the nine commissioners of the Committee resigned. The over 800 international monitors certified the elections without reservations as free and fair. We heard of no evidence of Israel interfering with or impeding access to elections.

The people have spoken and with just under seventy percent having voted, Mr. Abbas was elected by over 62 %, and the runner up received 19%. Mr. Abbas's base of support far exceeded his own party—Fatah's—base of about 30%. The silent majority voted for Abbas' message of peaceful negotiations.

The Palestinian people have created their democracy. Now, they must have their freedom. The 3.5 million Palestinians in the occupied territories are not citizens of the state that rules them, or any other state. What can the meaning of liberty and self-government be without the fundamental prerequisite of citizenship? They are the largest stateless group in a world composed of citizens of nation-states. Moreover, they have been suffering under more than 37 years of military occupation by Israel, which has now become the longest continuing military occupation in recent history. There is no people on earth more badly in need of freedom than the Palestinians.

On January 9th, Mr. Abbas gained legitimacy. What he now needs is to enhance and to use power and authority. One major asset that he has established is his own

credibility. During his one hundred days as Prime Minister under Arafat, during his “wilderness” days out of office and out of favor, during his election campaign, and consistently after his victory, he kept repeating his mantra of opposition to violence, his call for unifying security agencies and his pursuit of peaceful negotiations. There was no double talk and no ambiguity. I met him during all these stages and he always said the same things in private that he said in public.

It has been widely and correctly observed that the election and the victory of President Abbas have created new opportunities to resolve this most damaging of conflicts. This, together with the renewed commitment of President Bush to the Roadmap and to the creation of a Palestinian state living in peace alongside Israel, and Prime Minister Sharon’s Disengagement Plan for Gaza and several settlements in the West Bank, constitute the elements for significant progress.

Mr. Abbas is in the unenviable position of presiding as a president without a state, just as the Palestinian Authority has been held to the responsibilities of a state without having the authority, sovereignty or prerogatives of an independent state. He has courageously staked his political future, and perhaps even personal safety, on achieving freedom for his people through peaceful negotiations. The political, historical, cultural, religious, national, regional and international forces at play in the Palestinian body politic preclude any neat and clear resolution of the question of authority and power by a democratic election. The newly-elected President has to reason with adversaries, to threaten at this time only by persuasion, to explain to his opponents that alternatives are less attractive than what he has to offer. He has to come up with the arguments for giving up the use of force even if Israel persists in assassinations and in violent incursions. He has to explain why and how he could trust this American Administration with its record of unabashed support of the heavy hand of Mr. Sharon. He has to explain his views about the unconscionable cost the Palestinian people had to pay for using violence. He has to explain his strategy to his political opponents knowing full well that they are as convinced of the utility of violence as he is of its futility. As he explains, argues and cajoles, he has to acquire a bigger stick, and perhaps he will be forced to use it.

To succeed, he needs serious assistance from all parties. He is physically and materially dependent on others—the weakened Palestinian bureaucracy, the United States and Israel—to help him carry out most of his program. He understands that the immediate task for Palestinians is to restructure and reform the Palestinian Authority and its institutions. Having correctly identified security as the indispensable item to deliver for his people and to these two countries, he is in a position to deliver on his campaign promise. Delivering on security is worth the overwhelming risk he is undertaking, because without it there is no strategy other than a continuation of the present miserable state of affairs. There can be no compromise on a disciplined and accountable security apparatus. Without security, there is no hope for peace. That said, it is imperative to recognize that security concerns for both Palestinians and Israelis are only a first step in a process that must lead to a full peace agreement, and to understand that in the long run security can only be truly guaranteed by implementing a viable and equitable political relationship between the parties.

For the new Palestinian leadership to succeed, it is equally important to establish the rule of law and to remove the appearance and reality of corruption. Mr. Abbas’ mandate may be tested in upcoming municipal and legislative elections, where opposition groups may exploit long-standing concerns about corruption and lack of social services. It is imperative that the Palestinian government have the resources needed to deliver services to its people, or others will step into the void. However, the practical difficulties for President Abbas in dealing with the problem of corruption were outlined by the leading Palestinian pollster and analyst Khalil Shikaki at a February 2, 2005, briefing at the Palestine Center in Washington DC. According to a summary of that briefing provided by the Center:

Shikaki said that Abbas must begin the difficult task of simultaneously confronting corruption and violence. “There is no way he can do that because to fight corruption, he must deal with those persons and groups who can deliver security,” acknowledged Shikaki. However, if Abbas confronts those who are able to deliver security because of his simultaneous need to deal with corruption, “there will be a big question mark about his ability to maintain the cease fire,” said Shikaki. He reiterated that if Abbas does not deal with corruption, Hamas will win at least 70 to 90 percent of the local councils and that will have a determinative effect on the outcome of parliamentary elections as well as any legislative action on the issue of corruption. If Abbas decides to go after corruption, Shikaki said that he will need to confront the Fatah Central Committee, the body that nominated Abbas for the presidency, “which is going to fight him

tooth and nail.” He noted that Abbas has indicated that he has no intention of confronting the senior officials in the security establishment on the issue of corruption, and is instead relying completely on them to deliver security.
(<http://www.thejerusalemfund.org/images/fortherecord.php?ID=226>)

The way to help President Abbas square this circle is to provide the needed financial and technical aid, and the appointment of Lt. General William Ward as “security coordinator” to supervise reform of the Palestinian security forces is a good start. Certainly, more aid and technical support will be needed in the future.

The Israeli government is clearly in a position to do much to either help or harm the credibility of the new Palestinian leadership. From Israel, President Abbas needs cooperation and coordination. Israel has a variety of carrots and sticks and it can help lay the foundation of peace if it uses them to restructure the Palestinian-Israeli relation to one of potential partners bound together by the shared destiny of eternal neighbors. What matters is the strategic realignment that the moment promises. Forces of accommodation and reconciliation on both sides can empower each other now, leaving the logic of the zero-sum game behind. Forward-looking new thinking, away from tribal, nationalistic and religious hostile instincts is urgently called for. What is needed now is to coordinate moves that provide the mechanisms for separation of potential partners as they work out the framework of a historic compromise.

The 37-year long occupation has been extremely onerous to the Palestinian people, as the following synopses illustrate on four key points: settlements and land expropriation, the separation barrier, checkpoints, and home demolitions.

Settlements and Land Expropriation:

According to the Israeli human rights group B’Tselem, “Over the past 35 years, Israel has used a complex legal and bureaucratic mechanism to take control of more than fifty percent of the land in the West Bank.”
(www.btselem.org/english/Settlements/Land_Takeover.asp)

Israel has used this process to establish hundreds of settlements in the West Bank and to populate them with hundreds of thousands of Israeli citizens, preventing Palestinians from legally retaining ownership of or using these lands. According to B’Tselem:

Since 1967, each Israeli government has . . . expand[ed] the settlements in the Occupied Territories, both in terms of the area of land they occupy and in terms of population. As a result of this policy, approximately 380,000 Israeli citizens now live on the settlements in the West Bank, including those established in East Jerusalem.
(www.btselem.org/English/Settlements/Index.asp)

The settlement infrastructure includes approximately 400 miles of bypass roads which crisscross the West Bank and Gaza. (www.btselem.org/english/statistics/20043112_2004_statistics.asp)

These roads are designated for Israeli-only use thereby forbidding Palestinians from using them. Successive American administrations going back to President Carter (including Presidents Reagan, Bush, Clinton and the current President Bush), have opposed the policy of the government of Israel on settlements. Furthermore, the Geneva Conventions clearly prohibits an occupying power from transferring citizens from its own territory to the occupied territory. Settlement construction increased by 35% in 2003, and “between 1993 and 2000 the number of settlers on the West Bank (excluding East Jerusalem) increased by almost 100 percent” despite opposition to them. (<http://www.btselem.org/English/Settlements/Index.asp>) A poll conducted by the pro-Israel peace organization Americans for Peace Now in July 2003, found that 8 out of 10 settlers would agree to return to Israel if compensated.

The Separation Barrier:

The construction of the 455 mile long barrier in the West Bank is a major problem for the Palestinians since its current path cuts off hundreds of thousands of acres of Palestinian real estate (*CQ Researcher, Middle East Peace*, January 2005). The barrier’s path would have been more appropriately built along the internationally recognized boundary between Israel and the occupied West Bank. A United Nations fact finding mission in November, 2003, discovered that only 11% of the barrier’s route as planned at the time coincided with the green line. The remaining 89% curved deep into Palestinian territory (this has now been revised to 85%, as noted below). The Palestinians have challenged the legality of the route and the International Court of Justice (ICJ) in the Hague ruled that the path was illegal. Yet barrier construction inside the West Bank continues. A September 2004 report by the United Nations Office for Coordination of Humanitarian Affairs (OCHA) states:

A new Barrier map was issued by the Israeli Ministry of Defense on 30 June 2004, altering prior routes published on 23 October 2003 and 25 March 2004. The revised route places fewer Palestinians on the west side of the Barrier but does not reduce significantly the amount of land from which the Barrier separates Palestinian landowners and farmers from their land. The revised route removes two large enclaves in the Salfit and Ramallah governorates from the prior route. However, two major roads generally prohibited for Palestinian use run across the open side of the revised route, and effectively act as barriers to Palestinian movement out of these areas. Accordingly, it is unlikely that this revision will improve the humanitarian access for the majority of Palestinians. The revised route creates two semi-enclaves and an additional four new enclaves. The revised route reduces the total length of the Barrier by 16 kilometers.

The report also noted that “While part of the Barrier runs along the 1949 Armistice or the Green Line, approximately 85% of the revised planned route of the Barrier intrudes into the West Bank, up to 22 kilometers in the case of the Ari’el ‘finger.’”

(http://www.humanitarianinfo.org/opt/docs/UN/OCHA/BARRIER-REP_Update-4_%5BEn%5D-Sep2004.pdf)

Checkpoints:

The Israeli system of checkpoints and roadblocks in the occupied territories severely inhibit the Palestinian people from carrying out an ordinary life. According to the *Country Reports on Human Rights Practices—2003, Israel and the occupied territories* published by the State Department:

- “Each day, tens of thousands of Palestinians traveling between Palestinian towns and villages faced as many as 730 different barriers to movement.”
- “Israeli security forces harassed and abused Palestinian pedestrians and drivers who attempted to pass through the approximately 430 Israeli-controlled checkpoints in the occupied territories.”
- “The Israeli Government severely restricted freedom of movement for Palestinians [by enforcing] a massive network of checkpoints and roadblocks across the occupied territories, which impeded the movement of people and goods between Palestinian cities, villages, and towns.”
- “Economic problems and checkpoint obstacles affected the availability of food to Palestinian children. During the year, USAID and Johns Hopkins University reported that 7.8 percent of Palestinian children under 5 suffered from acute malnutrition, 11.7 percent suffered chronic malnutrition, and 44 percent were anemic.”
- “Israeli security forces at checkpoints often impeded the provision of medical assistance to sick and injured Palestinians.”

(<http://www.state.gov/g/drl/rls/hrrpt/2003/27929.htm>)

Home Demolitions:

Human rights groups estimate that more than 20,000 Palestinian homes were demolished by Israeli occupation forces from 1967 to the early 1990s. Over the last four years, Israel has demolished more than 3,000 homes, leaving tens of thousands of men, women and children homeless or without a livelihood. In a May 2004 report Amnesty International said “Israel’s unjustified destruction of thousands of Palestinian and Arab Israeli homes as well as vast areas of agricultural land has reached an unprecedented level and must stop immediately.” Amnesty continued, “In the Occupied Territories, demolitions are often carried out as collective punishments for Palestinian attacks or to facilitate the expansion of illegal Israeli settlements. Both practices contravene international law and some of these acts are war crimes.” (*Under the rubble: House demolition and destruction of land and property*, Amnesty International, Report, 18 May, 2004, <http://web.amnesty.org/library/index/engmde150332004>).

In addition, it should be noted that in the past 4 years of violence, more than 1,000 Israelis and 3,500 Palestinians have been killed, most of them on both sides unarmed civilians. The security of one people cannot be separated from security of the other—both must be protected. Honorable, competent leaders are the key to lead both people at this most difficult period of transition at a time where trust is the most precious commodity. We all know what is needed on the Israeli side to achieve this; fewer checkpoints, end of humiliation, relief from violence by settlers and the Israeli military, release of prisoners, and military withdrawal. Last but certainly not least is creating no new “realities on the ground” that contradict the vision laid out

by President Bush or the Roadmap, such as settlement or outpost growth, home demolitions, land confiscation and predetermining final status issues such as borders and Jerusalem through the route of the West Bank barrier. Helping Mr. Abbas to deliver results for his people must be as much a litmus test of Mr. Sharon's credibility as Mr. Abbas's moves on security are properly a test of his.

As for the United States, President Bush has set exactly the right tone since his reelection by reiterating his commitment to the Roadmap and to his vision of a two-state peace that he outlined in his speech of June 24, 2002. He has said a Palestinian state can be born before the end of his second term. President Bush understands that the high expectations of this moment need to be reflected in a palpable improvement in the daily lives of the Palestinian people, and he is sending the right message. He has sent Secretary Rice to visit Israel and the Palestinian Territories in her first trip abroad, designated Lt. Gen. William Ward "security coordinator" for the region, and has asked the Congress for \$150 million in FY06 economic assistance and an expected \$200 million in the upcoming supplemental request. Our President is asking you to lend him your bi-partisan support, for this tangible and timely assistance, which sets an example for the rest of world to emulate.

President Abbas urgently needs our good offices, and assistance ranging from financial to educational, civic, cultural, technical, trade and security issues. He has no state and his country is under occupation. He has a budget deficit of 650 million dollars for this fiscal year and has 120,000 employees on his payroll. Many of them serve in a fragmented security apparatus and a bloated bureaucracy. Many need to be sent home in order to build an efficient functional state apparatus. Learning from the Iraq model, it is wise to send them on a pension. This alone will cost hundreds of millions of dollars. He needs to rebuild the foundations of all aspects of his nation top to bottom. Without effective external help he is guaranteed to fail.

We have within our grasp not just the opportunity to lay the foundation for an end to conflict, but also to foster a strategic realignment where Palestine will be an ally of the United States and a partner to Israel in peace. Ultimately, security and peace will be achieved by establishing a viable, contiguous, independent and democratic Palestinian state, with a shared Jerusalem serving as a capital for two states, and with a fair solution to the refugee problem according to international law. The "painful concession" Israel must make is to return the occupied Palestinian territories to their rightful owners. However, for this year of 2005, three tasks must be accomplished:

- 1) *Establishing close security cooperation, with active US support. Prompt activation of committees established in Sharm el Sheikh with scrupulous implementation of agreements by both parties.*
- 2) *Both parties implementing their commitments under the Roadmap, as they coordinate the Disengagement Plan.*
- 3) *Reforming and restructuring the Palestinian Authority.*

With active U.S. engagement, these tasks can be accomplished. In order to achieve significant progress, Palestinians need to create order and security, and Israel must refrain from implementing any unilateral measures that can prejudice the outcome of final status issues such as borders, refugees, settlements and the status of Jerusalem. Both parties must abide by the conditions of the Roadmap.

1. *Establishing close security cooperation between Israel and the Palestinian Authority, with active US support. Prompt activation of committees established in Sharm el Sheikh with scrupulous implementation of agreements by both parties.*

The successful deployment of Palestinian police in northern and southern Gaza is a manifestation of early security cooperation between Israelis and Palestinians. With the declaration of the ceasefire at the Sharm El-Sheikh summit, such cooperation will only intensify as Israel prepares to redeploy from five Palestinian cities in the coming weeks, to be followed by a more comprehensive redeployment and the Gaza Disengagement Plan. Each instance of cooperation will serve to build trust between both sides and establish momentum for future cooperation. The appointment by President Bush of Lt. General William Ward as "security coordinator" to supervise reform of the Palestinian security forces is a positive first step by the United States and an example of the hands-on and active approach required as Israelis and Palestinians take these first tentative measures towards rebuilding trust and confidence.

At the conclusion of the Sharm El Sheikh summit, five committees were appointed to follow up on outstanding issues. These committees must be activated promptly and their decisions must be implemented scrupulously. No confidence building measures are better than verifying implementation of agreements and the United States will be playing a crucial role in this process.

2. *Both parties implementing their commitments under the Roadmap, as they coordinate the Disengagement Plan from Gaza and parts of the West Bank.*

Israel's Disengagement Plan from Gaza and parts of the West Bank has been welcomed by all parties as complementary to the Roadmap, and, although initially a unilateral Israeli action, it is now likely to be a coordinated effort. A joint security committee has already been established, and is scheduled to start meetings to ensure an orderly, secure and successful Israeli withdrawal.

While most Palestinians are suspicious of Israeli PM Sharon's intentions, his plan means the irreversible end to a Greater Israel based on metaphysical and religious claims. Nonetheless, it is incumbent upon both parties to live up to their responsibilities to ensure that the disengagement is successful and serves as momentum for further moves towards peace. It is essential that Palestinian leaders and police ensure that the Israeli disengagement is not conducted 'under fire' and can serve as a precursor and model for future Israeli withdrawals. Israeli responsibilities, on the other hand, include undertaking a real end to the occupation of Gaza and a more comprehensive approach to the Disengagement Plan. Such an approach will serve to place the disengagement in the political context of a final and comprehensive agreement in order to alleviate deeply held Palestinian concerns that the Disengagement Plan is an attempt to buy time to consolidate Israel's hold on the West Bank.

Phase One of the Roadmap shoulders the Palestinians with the responsibilities of ending terror and violence, and building Palestinian institutions. Since the passing of President Yasser Arafat, the new leadership has made significant strides in meeting these responsibilities. The Palestinian elections held on January 9, 2005, under occupation, heralded the birth of Palestinian democracy, placing the Palestinians at the forefront of Arab democratization efforts. While there still remain provisions under Phase One of the Roadmap for the Palestinians to implement, in the four weeks since the elections (which were themselves a Roadmap provision), the Palestinian leadership has reiterated its commitment to implementing its Roadmap responsibilities, has successfully negotiated a ceasefire pledge from Palestinian militant groups, has instructed official Palestinian media to abstain from any statements or messages that may be construed as incitement, and has deployed thousands of Palestinian police in the Gaza Strip.

Israel's primary responsibility under Phase One, an end to settlement activities including "natural growth" of existing settlements, has yet to be fulfilled in any meaningful sense. On February 7, 2005, the *Washington Post* reported that:

The Israeli government and private Jewish groups are working in concert to build a human cordon around Jerusalem's Old City and its disputed holy sites, moving Jewish residents into Arab neighborhoods to consolidate their grip on strategic locations, according to critics of the effort and a *Washington Post* investigation. The goal is to establish Jewish enclaves in and around Arab-dominated East Jerusalem and eventually link them to form a ring around the city, a key battleground in the decades-long Israeli-Palestinian conflict because of its Jewish and Muslim holy sites, according to activists involved in the effort and critics of the campaign.

("Israelis Act to Encircle East Jerusalem," *Washington Post*, February 7, 2005; A15)

Such aggressive settlement activity is a clear example of how unilateral measures designed to prejudice critical final status issues serve as an obstacle to realizing President Bush's vision of peace based on two states, and why ending such activities is the primary Israeli responsibility under Phase One of the Roadmap.

3. *Reform and restructuring of the Palestinian Authority.*

Establishing the Rule of Law is the main and immediate task facing the new presidency of Mr. Abbas. More specifically, the two main areas of reform that are essential for the Palestinians to address are those of corruption and restructuring and unifying the security services. It is important to stress that these areas of reform can and should proceed independently of the Israeli-Palestinian peace track. They are reforms essential to the Palestinian national interest and serve in laying the groundwork for building the representative and accountable institutions necessary for a robust democracy. The participation of Secretary of State Rice in the upcoming March 1-2 conference in London, which will focus on building institutions that will form the bedrock of a Palestinian state, is an important and timely contribution. We urge Congress to support the President and the Administration by authorizing the necessary funds to assist in building these vital institutions.

The Palestinians have made impressive strides in addressing corruption and managing Palestinian finances to be transparent, and attractive to international donors. While work on this ongoing process remains to be done, Finance Minister Salam

Fayyad, recognized worldwide for his credibility and reputability, has made great strides and demonstrated serious diligence in working to accomplish this priority. As an example, the Palestinian national budget is the only one from any Arab country to be posted online.

Security is the indispensable item for Mr. Abbas to deliver, both for his people and for Israelis. Delivering on security is worth the overwhelming risk he is undertaking because without security there is no peace strategy. The ceasefire declaring a formal end to more than four years of fighting by both parties at the summit held in Egypt on Tuesday, February 8, 2005, is an early and positive sign of Mr. Abbas' appreciation and seriousness about this issue. The appointing of a new Palestinian security chief to oversee the process of unifying and training the Palestinian security services is another critical component of restructuring the Palestinian Authority.

Conclusion.

The unique promise of this moment is the commitment of the current political leadership on all three sides to perform these tasks, combined with the will of the majority of Palestinians, Israelis and Americans for peace. For this promise to lead to peace, the indispensable leadership of the United States needs to come in the form of such tangible, hands-on mechanisms. We can encourage world leaders to lend a hand in securing peace. We can set up the system of ultimate security for both parties by incorporating them in a binding international alliance. Once we are able to deliver help to the people on the ground, we should make sure to be public and clear about our support for Mr. Abbas and the Palestinian people.

While resolving the Israeli-Palestinian conflict is properly the main focus of our present attention and efforts, the ultimate goal must be the creation of a comprehensive regional peace in the Middle East. The constructive involvement of Egypt and Jordan is a significant indicator for prospects of such a comprehensive peace. The fact that these two countries participated in the summit at Sharm al-Sheikh earlier this week points to the broad constituency within the region for a Palestinian-Israeli peace.

To be sure, there are those in Palestine, Israel, the Arab world and here in the United States who are opposed to the peaceful vision of a two-state solution. We will hear their belligerent words and we should anticipate their nefarious deeds. Our challenge is to build successes and tangible benefits that promote a culture of reconciliation and peace, and defeat the forces of hate and violence. Peace in Palestine will deny demagogues and terrorists the most potent weapon in their arsenal.

The urgency of timely intervention cannot be overstated, as what all parties do and do not do in the coming months will determine whether this glimmer of hope becomes the dawn of a new era of peace, or proves to be merely the twilight before another long night of conflict and chaos. We must act decisively in the interests of the Israeli, Palestinian and Arab peoples, and, above all, in our own American national interest.

The summit at Sharm el Sheikh, the initial points of agreement between the parties and the prompt initial steps taken to implement them, are the most promising developments in many years. We cannot afford to fail to seize this opportunity, and commit substantial efforts and resources to achieve peace.

MISSION STATEMENT

ATFP is a not-for-profit corporation that aims to educate the American people about the national security interests of the United States in establishing a Palestinian state. Specifically, ATFP seeks to promote the awareness of the far-reaching benefits that Palestinian statehood will have for the United States in the following areas: (1) enhancing national security, (2) proliferation of American values of freedom and democracy, and (3) expansion of economic opportunities throughout the Arab and Islamic worlds.

ATFP advocates the establishment of a democratic state of Palestine living in peace and security alongside Israel in the territories occupied in 1967 in accordance with international law and the relevant United Nations Resolutions.

ATFP categorically and unequivocally condemns all violence directed against civilians no matter who the victims or perpetrators may be.

ATFP believes that permanent peace in the Middle East, as well as world peace, can only be achieved by a historic compromise based on a two state solution, with a shared Jerusalem and a just solution for the refugee problem according to international law. This vision of peace has the support of the United States government, the United Nations, the European Community, each member of the Arab League

and the majorities of the Palestinian and Israeli peoples. Nevertheless, despite overwhelming international support, the realization of this vision has yet to materialize in any meaningful way, with continued tragic consequences. It is the goal of ATFP to advance the implementation of the international consensus with alacrity and resolve.

ATFP plans to fulfill this mission of peace by coordinating the efforts of Americans of Palestinian origin working, with their fellow Americans and others, across the spectrum of civic, educational, cultural, legal, economic and political fields.

PURPOSE OF ATFP

The Arab-Israeli conflict, now nearly a century old, is the single greatest threat to worldwide peace and stability. Beyond the violent territorial struggle on the ground, the conflict has global implications for adherents of the three great faiths, all of whom legitimately lay some claim to a portion of the land between the Jordan River and the Mediterranean Sea.

Despite decades of hostilities that have engulfed the region, the framework of a comprehensive settlement is in place. A fair reading of the numerous United Nations Resolutions on the Middle East crisis, the negotiations between the Palestinian and Israeli delegations that extended to Taba, Egypt in January 2001, the Saudi proposal adopted by the Arab League, the vision articulated by the United States President and Secretary of State, and the Road Map to peace adopted by the Quartet firmly establish that there is an overwhelming international consensus for a resolution of the conflict.

Although the foregoing scenario has been widely discussed and generally accepted by a vast preponderance of the world community for an entire generation now, it has yet to be implemented. Despite attempts to move various peace processes forward in fits and starts, the parties find themselves no closer to peace now than in 1967.

At the American Task Force for Palestine, we believe that the time has come to firmly prod all of the participants into a timely and committed implementation of the international consensus. Without such prodding, experience has demonstrated there is little reason for confidence that the various players will be able to reach a meaningful accord.

The American Task Force on Palestine advocates the formation of a Palestinian state primarily because such a step would represent an absolute windfall for the interests of the United States. As America continues the defense of its citizens and its freedoms in the global War on Terrorism, a final and satisfactory resolution of the Mideast conflict, which is the single greatest source of anti-American sentiment throughout the Arab and Muslim worlds, would be an invaluable asset. Such a resolution is possible only with a restoration of Palestinian rights in the land that has been their home for centuries without interruption. The longer this denial of rights persists, the more difficult it will be to convince young people to choose the path of peace. Nevertheless, hope for a brighter future must not be abandoned. Without the constant pain and feelings of injustice that this conflict continues to inflict on the world, zealots will be hard pressed to find recruits for their nefarious schemes. At the same time, Israel's security and its integration in the Middle East depend firmly on the establishment of defined borders with its neighbors and a just solution for the Palestinian problem based on international legality.

The Israeli Palestinian conflict has provided a pretext and justification for all governments in the area to deny their citizens freedom and all its attendant benefits of development. Frustration with governance problems has been deflected towards external sources. The ill will directed at the United States by its perceived support for Israeli conquests and for corrupt authoritarian regimes has created serious security risks for our country, as demonstrated so horrifically on 9-11. The current regimes in the Arab World are not equipped to solve the host of social ills generated by governance problems across the Middle East. On the other hand, democratic representative elections will yield more militant and anti-American governments as long as the Palestinian problem remains unresolved. Working with democratic forces in Palestine with a clear objective of a political solution based on the establishment of two states will achieve two major objectives:

1. Removing the major source of contention between the Arabs and Israel and United States.
2. Establishing a constitutional democratic form of government in Palestine will set a model for the rest of the Arab World to emulate.

WORDS OF SUPPORT FOR ATFP'S MISSION

"The American Task Force for Palestine speaks with clarity and humanity about the need for peace between Palestinians and Israelis based on two states that meets the fundamental needs of both societies and protects American interests. It is a valuable and trusted partner of those in all communities who seek peace."

*Ambassador Philip C. Wilcox, Jr.
President, Foundation for Middle East Peace*

"In a few short years, ATFP has emerged as a unique voice in Washington. The organization convincingly argues not only that one can be pro-Palestinian and pro-peace, but that to be pro-Palestinian, one should be pro-peace. With that idea at the forefront, ATFP is making remarkable inroads to the administration, to the diplomatic corps, and among all who care deeply about the Middle East."

*Jon B. Alterman, Ph.D.
Director, Middle East Program
Center for Strategic and International Studies (CSIS)*

"The American Task Force on Palestine represents an important voice of reason and moderation on the American scene. The articles and opinion pieces of its respected founder and President, Dr. Ziad Asali, along with its daily 'Mideast News: World Press Roundup' are essential reading for all who are interested in understanding Palestinian developments and who support a just and lasting peace in the region."

*Ambassador Robert Pelletreau
Co-Director, Search for Common Ground in the Middle East
Former Assistant Secretary of State for Near Eastern Affairs*

"The American Task Force for Palestine is fulfilling an important service for Palestinians. Composed of Palestinian-Americans, it is dedicated to the Palestinian cause and to the cause of peace and coexistence between Palestinians and Israelis. I applaud its efforts to promote Palestinian responsibility and reform, and believe it is guided by a spirit most likely to lead to the fulfillment of Palestinian national aspirations."

*Ambassador Dennis Ross
Former Special Mideast Coordinator under Presidents Bush and Clinton
Counselor & Ziegler distinguished fellow, Washington Institute for Near East Policy*

"Stimulating and maintaining the U.S. Government's and policy makers' attention on the need for a resolution of the Palestinian-Israeli conflict, with a focus on a two state solution with security and peace for both sides, is exceedingly important. ATFP pursues this end with energy, rationality and diplomacy which all of us admire. Equally important, ATFP reaches out to all U.S. communities—Arab, Jewish, Christian, Muslim—to help all of us participate in realizing the desired end: peace between Israel and Palestine, between Palestinians and Israelis, in a two state context."

*Peter Gubser
President, American Near East Refugee Aid (ANERA)*

"Never has there been a more poignant moment in the long and enduring struggle of the Palestinian people for justice, independence and freedom than the one bestowed upon us at this time. TO speak of how compelling the Palestinian case for self-determination has become is no more than stating the obvious. Your work towards accomplishing this goal is no less compelling, and will no doubt yield undeniable results. We laud your efforts and assure you of our continued and lasting commitment to the justice of the Palestinian cause."

*Dr. Hussein Hassouna
Ambassador, League of Arab States*

"ATFP's focus on demanding a fair solution to the Arab-Israeli conflict is a critical and most welcome addition to our national dialog. ATFP has established itself in a short period of time as a superb, articulate advocate for the creation of a Palestinian State by communicating effectively with the decision makers in Washington. It fills a void in the international debate that can only be filled by Palestinian Americans. This is a rare opportunity to build an institution dedicated to the Palestinian cause with a genuine feeling of pride and respect, as well as a sense of contributing to eventual success."

Dr. John H. Sununu

Former White House Chief of Staff under President George H.W. Bush and Governor of the State of New Hampshire

"The American Task Force on Palestine is a unique Palestinian American organization that offers a reasonable and credible voice calling for the establishing of a state of Palestine. It makes a significant contribution to the cause of peace."

Dr. Hasan Abdul Rahman

Ambassador, Palestinian Authority

Chairman HYDE. Thank you, Doctor. Ms. Pletka. Thank you for your patience.

**STATEMENT OF MS. DANIELLE PLETKA, VICE PRESIDENT,
FOREIGN AND DEFENSE POLICY STUDIES, THE AMERICAN
ENTERPRISE INSTITUTE**

Ms. PLETKA. It is my pleasure. I was happy to listen, and Mr. Chairman, and Members of the Committee, thank you for inviting me. You announced me as the rain on the parade spokesman here, and I don't intend to be a rain on the parade spokesman. But I would like to talk a little bit about something that I think that my colleagues have not addressed quite as much, and that is the role of the United States.

The passing of Yasir Arafat and the election of Mahmoud Abbas to the Palestinian Presidency have occasioned a flood of hopeful rhetoric. I think we have heard a lot of it today.

But as we applaud steps forward and work to bolster both the Israelis and the Palestinians, we should remember our past missteps. Among the graver errors of our earlier forays into peace-making was a willingness to lend the benefit of the doubt, to fudge, and on occasion to shade the truth about the compliance of the Palestinian Authority with its own commitments to the United States and to Israel.

Among the most important of those Palestinian obligations was the pledge to denounce the use of terror. It is not hard to understand the motivation of those within the U.S. Government who reported that Yasir Arafat's Palestinian Authority was in compliance with its commitment.

Officials charged with pursuing peace in the Middle East always hoped that the next few months or the next year would bring improvement, and they were certainly always promised that by members of the Palestinian Authority.

But the fact is that things really didn't improve over the 1990s, and ultimately President Bush was forced to declare the Palestinian Authority in noncompliance with its commitments. But the years of obfuscation have left their mark.

Officials of the Palestinian Authority have been trained to believe that the goal posts can always be moved. They have learned that momentum toward peace can outweigh a commitment to abandon terrorism, and they learned that human rights violations are acceptable if they are used to imprison opponents of the peace process.

There is a new team now in charge of the Palestinian Authority, and Abu Mazen has declared that there will be no more violence. But Hamas, Hezbollah, and others, as we have heard, have made no such commitment, and they have already proven that today.

The Palestinian Authority, however, remains responsible for bringing these groups into line one way or another. We must trust Abu Mazen's commitments, and we must do all we can to foster an environment in which they can be honored, but when they are not, we have to be honest about it.

On another front, the election of Abu Mazen and then the rapid progress toward a cease-fire between Israel and the Palestinians have opened the floodgates for aid to the West Bank and Gaza.

In his State of the Union, the President announced \$350 million in additional assistance to the Palestinians over the next 2 years. In addition, there is serious discussion of a major 6- to 8-billion-dollar international aid package to the Palestinians.

According to the World Bank, that would be the largest per person international aid program since World War II. I would note that the Palestinians are already the largest per capita recipients of foreign aid in the world today.

Now, it would be nice, it would be good, if all of that aid went to the ends that are necessary. Unfortunately, however, it is going to be very hard to spend that money legally, efficiently, and accountably in the West Bank and Gaza.

We learned that in the past, and we are learning that every day in Iraq as well. In years past, eagerness to obligate and disperse aid to the Palestinians resulted in programs that did very little to serve the Palestinian people.

Middlemen and consultants in the United States took off their bit, and they subcontracted to NGOs, and those NGOs in turn subcontracted to other NGOs. Accountability was minimal, and money may well have gone to groups that support terror.

Ultimately what will help the Palestinians is institutions that last from one leader to the next and provide an infrastructure that will sustain them, whether peace is in the offing or not.

Congress is key in ensuring that the aid that reaches the Palestinians does not represent just a checked box meant to make us all feel good, but a genuine improvement in the quality of life for Palestinians.

Finally, as we work to sustain this moment of opportunity, the United States should remember its own place. We are not a party to the Israeli-Palestinian conflict. We are facilitators. We are not peacemakers.

When we introduce ourselves into the very fabric of the relationship between Israel and the Palestinians, as we did in the 1990s, we lose our ability to serve our own best interests. When the CIA began training Palestinian security forces in the 1990s, it was no longer an intelligence gathering service. It was a party to the peace process.

Surely it is reasonable to ask as well: If President Clinton had been successful at Camp David and managed to ink a deal which would have created a Palestinian "jigsaw-puzzle" State—replete with operational terrorist groups, no functioning institutions, and 14 separate security services—would the Palestinians, the Israelis, and the United States have been well served?

On this round, the United States should work harder to preserve our distance. We should build an environment in which peace can

happen. We should provide a table at which the parties can sit, but we should not become vested in the process for process' sake.

For that reason, I believe it is inadvisable with all respect to my departed colleague, Ambassador Ross. I believe it is inadvisable for the White House to appoint a Special Middle East Envoy as some have already suggested.

It is inevitable that any person in that position becomes wedded to negotiations, to moving the process along when all signs indicate that perhaps the process should be suspended.

There may come a time close to the conclusion of an agreement between Israel and the Palestinians when the President needs to designate a special envoy to help close a deal, but that moment has not arrived yet. For now peace should be built between the parties. Thank you.

[The prepared statement of Ms. Pletka follows:]

PREPARED STATEMENT OF MS. DANIELLE PLETKA, VICE PRESIDENT, FOREIGN AND
DEFENSE POLICY STUDIES, THE AMERICAN ENTERPRISE INSTITUTE

The passing of Yasser Arafat and the election of Mahmoud Abbas to the Palestinian Presidency have occasioned a flood of hopeful rhetoric. Indeed, it is hard to rid oneself of the sense that much of that rhetoric is pent up; for so many years, people have wanted to say good things about the Palestinians and prospects for peace. And for so many years, it has been impossible to say anything good.

At this moment, there is a genuine opportunity to make progress toward a two-state solution to the Israeli-Palestinian conflict. Mahmoud Abbas—Abu Mazen—has been more clear and decisive than any previous Palestinian leader in repudiating violence. The elections were a success. But as we applaud steps forward and work to bolster the Israelis and the Palestinians, we should remember past missteps.

It has become cliché to note that the Israeli-Palestinian peace process represents the triumph of hope over experience. Understanding where we went wrong during the many other hopeful moments of the peace process will help us avoid such mistakes in the future. Perhaps experience and hope can, for once, walk hand in hand.

Among the graver errors of earlier forays into peace-making was a willingness to lend the benefit of the doubt, to fudge and on occasion, to shade the truth about the compliance of the Palestinian Authority with its own commitments to the United States and to Israel. Under the terms of the PLO Commitments Compliance Act, the Foreign Assistance Act, the Middle East Peace Commitments Act and a variety of other sections of code, the US relationship with and assistance to the PA is governed by a series of restrictions. Among the most important of Palestinian obligations is the pledge to renounce “the use of terrorism and all other acts of violence and [to exert] responsibility over all PLO elements and personnel in order to assure their compliance, prevent violations, and discipline violators.”

It is not hard to understand the motivation of those who reported that Yasser Arafat's Palestinian Authority was in compliance with its commitments. There was no malicious desire to mislead the Congress. Rather, in the “hope springs eternal” school of policymaking, officials charged with pursuing peace in the Middle East always hoped that the next few months would bring improvement and that the PA would stop supporting and condoning terror.

The fact is that things did not improve and ultimately, President Bush declared the PA in non-compliance. But the years of obfuscation left their mark: Officials of the Palestinian Authority have been trained to believe that the goalposts can always be moved; they have learned that momentum toward peace can outweigh a commitment to abandon terrorism; and they learned that human rights violations are acceptable if they are used to imprison opponents of the peace process.

There is a new team in charge now in the Palestinian Authority. There are also some familiar faces from the Arafat era. Abu Mazen has declared that there will be no more violence, but Hamas, Hezbollah and others have made no such commitment. Nor have certain other PLO affiliated groups. The Palestinian Authority is responsible for bringing these groups into line, one way or another.

Ultimately, however, what is necessary is not another truce or pledge to end violence. What is necessary is an end to terror as a negotiating tactic, as recourse when talking fails, and as a pressure tactic when talks falter.

We must trust Abu Mazen's commitments, and we must do all we can to foster an environment in which they can be honored. But when they are not, we must be honest.

On another front, the election of Abu Mazen and the rapid progress toward a cease-fire between Israel and the Palestinians have opened the floodgates for aid to the West Bank and Gaza. It is easy to see why aid is necessary; standards of living have plummeted, unemployment is sky high and there are almost no institutions of government standing.

In his State of the Union, the President announced \$350 million in additional assistance to the Palestinians over the next two years. The White House says that money will still be channeled through NGOs, at least for the time being. In addition, there is serious discussion of a major \$6–8 billion international aid package to the Palestinians. According to the World Bank, that would be the largest per person international aid program since World War II. (Note that the Palestinians are already the largest per capita recipients of foreign aid in the world today.)

Most non-US aid to the Palestinians goes for balance of payments supports—to help the PA meet payroll. In other words, the international community has gotten almost no bang for its buck and helped to perpetuate one of the most corrupt governing authorities in existence.

Experts insist, and the US government appears to agree, that the PA has made some accounting improvements and is working on greater transparency. With Arafat gone that task will be all the easier. However, let us beware that the waves of aid about to reach the PA not exacerbate existing problems.

Much as the \$18 billion for Iraq was meant to send a signal to the Iraqi people that we are 100 percent behind their future, aid to the Palestinians sends a similar signal. And much as it is impossible to spend the all the money as quickly as many would like in Iraq, it will be hard to spend the money legally, efficiently, and accountably in the West Bank and Gaza.

In years past, eagerness to obligate and disburse aid to the Palestinians resulted in programs that did little to serve the Palestinian people. Middle men and consultants in the United States took off their bit; they subcontracted to NGOs and those NGOs in turn subcontracted to other NGOs. Needless to say, accountability was minimal; money may well have gone to groups that support terror.

Yes, it is true that aid is needed to strengthen the PA so that it can take on challenges such as Hamas. But lack of money has not been the PA's main source of weakness. And money, while useful, is not the only answer. Haste and ill-placed generosity will not help the Palestinian people. Ultimately, what will help them is institutions that last from one leader to the next and provide an infrastructure that will sustain them whether peace is in the offing or not. Congress is key in ensuring that the aid that reaches the Palestinians doesn't represent a checked box, but a genuine improvement in quality of life for Palestinians.

Finally, as we work to sustain this moment of opportunity, the United States should remember its place. We are not a party to the Israeli-Palestinian conflict. We are facilitators, not peace makers. When we introduce ourselves into the very fabric of the relationship between Israel and the Palestinians, we lose our ability to serve our own best interests.

When the CIA began training Palestinian security forces in the 1990s, it was no longer an intelligence gathering service. Suddenly, it became a party to the peace process. And because the Agency was vested in its mission, reporting on the behavior of the Palestinian security services was thrown into doubt. Did that serve US interests?

Surely it is reasonable to ask: Had President Clinton been successful at Camp David and managed to ink a deal creating a jigsaw puzzle Palestinian state, replete with operational terrorist groups, no functioning institutions and 14 separate "security services", would the Palestinian people, the Israelis and the United States have been well-served?

As Ambassador Ross can tell you, the peace process is quicksand to even the most seasoned diplomats. But on this round, the United States should work harder to preserve its distance. We must build an environment in which peace can happen; we must provide a table at which all parties can sit. We must not become vested in the process for the process's sake.

For that reason, I believe it inadvisable for the White House to appoint a special Middle East envoy. It is inevitable that any person in that position becomes wedded to negotiations, to moving the process along when all signs indicate the process should be suspended. Such a person operates outside the diplomatic machinery of the State Department and at the end of the day, his success is defined by the success of the process. Suddenly, failure is not an option.

There may come a time, close to the conclusion of an agreement between Israel and the Palestinians, when the President of the United States needs to designate a special envoy to help close the deal. That moment has not yet arrived. For now, peace should be built between the parties.

Thank you.

Chairman HYDE. Thank you, Ms. Pletka, very much. Ms. Lee.

Ms. LEE. Thank you very much, Mr. Chairman. It is good to see both of you, and let me apologize for being late, but I had many, many items with constituents today, Mr. Chairman.

Chairman HYDE. You are certainly excused.

Ms. LEE. This Committee hearing is extremely important, especially given Secretary Rice's recent visit, especially at the moment where we find ourselves. And I would just like to ask both of you—and I am sorry that Ambassador Ross is not here for this question. But he talked about the United States being active in terms of being that bridge. What is your take on what our role is here in Congress, in terms of being that bridge at this point to make sure that both sides understand that we want to see the cease-fire to hold, and that we want to see the withdrawal take place?

I mean, what is it that you think our role should be, if you think that we have a role at all in that?

Ms. PLETKA. Our role, first and foremost, should be as an honest broker, and as I said in my opening statement, I don't think that we should be as involved a player as we have become in the past.

We should keep both sides honest as far as their commitments are concerned. We should do our best to ensure that they are actually able to keep those commitments. That means providing aid where aid is helpful. It means setting people back on the right course when they need to be set back on the right course.

It does not mean pushing either side according to a false timetable. When we say that this is going to happen now and that is going to happen then, and this is going to happen in 4 months, and then at 18 weeks, this is going to happen.

We do create artificial deadlines and we create false incentives. We create a situation in which we want to certify that something has happened so we can move on to the next step, and maybe, maybe we are building on false premises.

Maybe we are building where we cannot build, and where we need to stand still and ensure that the right blocks are put in place for sustainability. What matters to the United States is sustainability, and not just getting a peace that can be signed on the White House lawn, but that is going to collapse in a month, or 6 months, or a year.

Ms. LEE. So should the Congress say that in resolutions? Or should we provide a wait-and-see type of strategy?

Ms. PLETKA. I think that Congress has always been the feet to the fire agency in the peace process. Congress has always been in a very bipartisan way the branch of government that has been the most willing to do very, very serious oversight, to ensure that aid is being used properly, and that it is being directed correctly, and that at the end of the day the commitments made by the parties themselves, and not by ourselves, but by the parties, are being honored. These kinds of hearings and the kind of oversight that the Senate and the House do is very important.

Dr. ASALI. I think what we are dealing with now is an emergency situation, if I may borrow a phrase from my previous career. There is a time limit for which we can play, and if we do not act and act quickly, the patient's health may be in jeopardy.

There is a great deal of skepticism about Abu Mazen and his intentions, and his capabilities. If we do not come to the rescue of a man who is already risking his own life in order to do the right thing, and saying so in public, the time may come when we may rue the day that we did not help him in time.

That is why the assistance that the President is asking for—and will be submitting a request for \$350 million—is really crucial. And whatever other assistance that can be rounded up to help economically at this point in time to make a difference in the lives of the Palestinian people, it cannot be overstated about the significance of that.

I want to say something about the mindset of Abu Mazen since this was asked earlier. He is somebody that I have known personally for a short period of time, but I have discussed things extensively with him when he was out of power and out of favor.

He had no reason to expect that he would have any position of high responsibility, and neither did I, and so he was telling me the truth, I am confident, and he was telling me then what he told the world at large, and what he told them before the campaign, and after he got elected. He is 100 percent committed against violence, and he is saying so in public.

So he is now risking something very clearly in a neighborhood that is very tough, where words are punished severely at times, his own life. And if you want more evidence of the commitment of this man, I don't know what it is. So if we do not come to his assistance at this point in time, then we might fail.

I remember when President Sadat did something like this at some point in time and nobody believed him until bad things happened.

Ms. LEE. Thank you. May I have just 30 more seconds, Mr. Chairman?

Chairman HYDE. Yes, you may.

Ms. LEE. I just wanted to ask Ms. Pletka: What do you think about that? Because I believe you said that you didn't believe that the \$350 million could be used, or at least based on past track record, could be used efficiently and effectively, and all of the—you know, the corruption.

Ms. PLETKA. Money is a signal. It is impossible to spend \$350 million instantaneously to deliver the kinds of things that are necessary and may well be needed by the Palestinians. They are in economic dire straits, and that is not from the lack of aid that has been given to them.

It is because much of that aid has been stolen or misspent. Now, there are new systems of accountability. There is a fine and honest finance minister in place, but things haven't changed as much as they might need to change, and it is going to be very difficult.

When I say that the \$350 million can't do everything necessary, we have to understand that it plays two roles. The first is to signal our support, and that is a very serious signal of support. And \$350 million is a lot of money. But let us not rush to disperse that as

a further signal and let it be wasted, and not go to the people who actually need it.

Ms. LEE. I see. Thank you.

Chairman HYDE. Thank you. If I might ask Dr. Asali a question, and Ms. Pletka commented on the answer. We have heard an awful lot about the economics of war and peace in the Middle East. But we also understand that there is a theological aspect to this war, and I don't hear any approach to resolving the hatreds that are part of a religion that looks forward to driving Israel into the sea and that is its only purpose.

And that emanates people to become suicide bomb bearers. How do we reach the psychology? How do we reach the emotional hold that this hatred, which apparently is to something to be awarded in the next life—and no Marshall Plan is going to take care of that.

I think that what you need are some clergy, some Muslim clergy to think around the thinking that can make violence a damning aspect of life rather than a transcendent one. But what can we do to turn around the motivations of people which are political and theological, and that no amounts of redevelopment programs are going to assuage? Doctor.

Dr. ASALI. I believe that the conflict that we are getting is unique in the tests of the various strengths that get into it—history, and geography, and religion, ethnicity, and economic foundation of the relations between the south and the east. All of these are intertwined and one of them is religion.

At the core of it, there is a political problem that needs to be dealt with and without resolving the political conflict, which in my opinion can only be resolved peacefully if we establish one State here, and one State there, and having them live in peace, and then the other problems would be moot.

In fact, it is precisely because of that, that I think religion, which is a most incendiary tool to be used in whatever places are suitable to certain political types, would exactly be useful to the people who are opposed to peace be if we fail.

If we think that the result of this conflict between the Palestinians and the Israelis, then the conflict might much more likely spread to become one between the world of Islam, and 1.2 billion people, and the world of Christianity supported by the Jews. And then it will become a question of liberating Jerusalem from the infidels.

Chairman HYDE. So is it fair to say that every suicide bomber is motivated by theology? I don't think that you blow yourself up for a minimum wage.

Dr. ASALI. What is interesting in this, and some of the suicide bombers come from the Marxist groups who don't believe in God, and so it is a complicated matter. I suspect greatly that religion has been used as a major motivator for these people, and we must absolutely—one of the things that we must address is this whole political discourse about religion in the Arab world.

And find ways, like you said, of having more engaged theologians and others, and also, it would help, frankly, to have theologians or high priests and rabbis on the other side tone down what they say, too. So this is a collective responsibility of everyone.

Chairman HYDE. Thank you. Do you have anything to add?

Ms. PLETKA. Maybe a word or two. I am not much of an adherent of the idea that if we don't do this, then people will continue attacking us and blowing themselves up. It is a slippery slope. If we don't solve the Israeli-Palestinian conflict, then it will widen and more people will try to kill us.

It begs the question if we don't solve the Israeli-Palestinian conflict now, and if we don't solve it according to one border, then will people continue to blow themselves up, and why in fact should the State of Israel continue to exist at all? Doesn't that provide a pretext for people to continue blowing themselves up?

At the end of the day, solving the problem of Islamic extremism and terrorism isn't about taking away their pretext, the Palestinian cause among them. It is about draining the swamp that is much of the Middle East, and other parts of the world.

It is about taking away the oxygen that allows these groups to breathe, and I would say that that oxygen comes far more from a lack of political freedom and the lack of economic freedom, a lack of prospects for the future, and less from the Israeli-Palestinian cause.

I think we can take our answer from Osama bin Laden, who put the Israeli-Palestinian cause as a distant third or fourth in his original plethora against crusaders and Jews, almost an afterthought.

Chairman HYDE. Thank you. We will let you all go at 1 o'clock, and so we will end up with one more Democrat. Mr. Berman from California.

Mr. BERMAN. This is quite a responsibility.

Chairman HYDE. But you are up to it.

Mr. BERMAN. Dr. Asali, I very much appreciated your statement. I want to believe your conclusions about Abu Mazen and his intentions. But your statement—and I read your entire statement quickly—but when we got to the issue of the roadmap though, you focused—and I think understandably so—on certain Israeli obligations there.

But this distinction between the cease-fire and the dismantling of the infrastructure of terrorism, and eliminating the bomb factories, and all the other things which might be subsumed in that description, I think we, on the one hand, that we have a realistic understanding that on day 1, or maybe day 10, or day 20, there are limitations on what can be done.

But at the end of the day, or not the end of the day, but fairly soon into the process, isn't it appropriate to expect that one way or another that infrastructure is dismantled? And I am curious about what your thoughts are on the obligations of the PA to that activity and when.

And the other thing, Dr. Asali, is the role of other Arab countries, and we have talked about the Israeli responsibilities, and the Palestinian responsibilities, and the United States responsibilities. What are these other Arab countries responsibilities, and what role can they play in all of this?

I did note your remark that essentially put out the word quite publicly that nothing better is coming down the pike. But just more generally, I would be interested in your thoughts about that.

Dr. ASALI. As far as the obligations for Palestinians and a road-map, they absolutely should fulfill their obligations without delay, and I think also that the question of security is not negotiable, and I said so in my statement.

There is no way that any progress can ever be made without establishing security, and security for Israelis and Palestinians is indivisible, though both parties might think otherwise.

They have to have security for both, and the Palestinians have to have the authority of one Government which should have a monopoly on violence, or the tools of violence, like in any other country, and so there is no mincing words about that. I do believe, for whatever it is worth in my opinion, that Abu Mazen stated that, and he stated that in public, and those are not just words for him. I do feel that he has a problem with capacity, and that is what Ambassador Ross said, and that is where the help is needed.

Security help for the Palestinians at this point in time is not just mere words. It is just enhancing the capabilities of people who will be able to organize one security apparatus. That is discipline. That is one.

The role of the Arabs in general, I just want to give you an example of the problems, a dialectical between a Palestinian and an Arab. Here one suggestion was made that if the Arabs do not come up with help, then the Palestinians should not get help here again. Here, the Palestinians, they are once more dependent, and if they don't get the support of Arab governments, who might just withhold it, then that denies them the single opportunity of realigning themselves with the United States in a friendly manner.

Mr. BERMAN. You mean conditioning our aid on—

Dr. ASALI. Yes, conditioning our aid on Gulf assistance. Our aid, I think, should be predicated on building a bilateral relation between the United States and Palestine that is acceptable to us, and useful for the Palestinians, and certainly it is acceptable to Israel.

That is how we will eventually be able to create that triangle of stability in the Middle East. So to predicate that on assistance from others who might not, for their own reasons, want to be helpful, then that gives others veto on whatever we need to do.

The Arab people are exceptionally committed to the cause of Palestine, and this is a fact. But the Arab governments have their own constraints, and their own priorities, and I think that it is very important to ask everyone to contribute to this, either in words, and I believe very much that there is a need to improve the public discourse in the Arab world about this issue, as well as a tangible acceptance in the form of money in this case, and soon.

Mr. LEACH [presiding]. Ms. Berkley.

Ms. BERKLEY. Just to follow up on Congressman Berman. I think the question was: Do the Arab countries have any responsibility in this? They stir up the pot, and I think it is in their best interests that there isn't a Middle East peace, because by talking about a Palestinian State, and driving the Israelis into the sea, it takes their peoples' eyes and attention away from the problems that they have in their own countries.

So is there no pressure to be put on the Arab countries? Do they have no vested interest in bringing peace to a very troubled area of the world? I mean, I don't think they are saying that American

aid should be contingent on Arab aid, but when do they step up to the plate?

Dr. ASALI. I hope today. This is not a bone of contention. I think everybody hopes and expects for Arab Governments, the Europeans, Japan, the United States, everybody. You see, you must remember this, Palestine was disenfranchised.

When Israel was created, made by a decision of the United Nations, and that is why the United Nations, the whole countries of the world, have a sense of responsibility on what happened to the Palestinians. That is why the relief operation was made in the 1940s.

So there is a global responsibility to get in and help with resolving this problem. What the Palestinians cannot have and should not have is to be on the door for the rest of their existence. They should stand on their own two feet, and they should be given the freedom, and then——

Mr. BERMAN. But Dr. Asali, just on that point, and if you could just indulge me for a few more seconds here.

Mr. LEACH. The gentleman's time has almost elapsed, but go ahead.

Mr. BERMAN. Ms. Berkley's point, I think, is well taken. It really does not focus so much on the \$350 million, but on the billions that have been provided not in the form of things that help the Palestinian people, but essentially as subsidies to a corrupt bureaucracy, which is either to pay off cronies, or perhaps to award destructive conduct, and so in and of itself, the issue of the amount of assistance isn't attached so much as it is done, and can Palestinians be improved by it? I think that was the point of her comments, sir.

Dr. ASALI. I think the question of corruption within the Palestinian Authority is wide open, and is a grave concern, and it is vital, and everybody is talking about it. And I think I included in my report a clear reference to the studies that have been done about that.

This is a fundamental problem, and actually it gets to the problem of trying to deal with the security using an apparatus that is not free of corruption. So you have to balance things out in order to get to the point where you are free of corruption and guaranteed security.

This is where outside help, especially our help in matters of security, is especially important, and should be timely.

Mr. LEACH. At the risk of presumption, let me sum up briefly, not exactly for the Committee, but from one Member's perspective, that you have had three very forceful presentations about the need for action today, and we have had some very interesting comments from Ms. Pletka that indicate some skepticism.

I would just like to stress that foreign policy is a conjunction with good timing and good policy. When this Administration came into office, it was very concerned that at the end of the Clinton Administration that an effort was made that was very well intended, but on the President's timetable to make an agreement, and it did not work.

And this Administration felt it was premature. My own view was that they were half-right. The President tried to do an arrange-

ment in this timetable, but it was not premature. It was tardy, and he was late.

For whatever reasons, right now is an opportunity. I think as Secretary Kissinger said, and as Ambassador Ross said, and Dr. Asali says, it is an opportunity that should not be missed, and if it is missed, the consequences are terrifying for Israel and the Palestinians, and they are very bad for the United States of America.

This is an issue principally between Israel and the Palestinians, but there should be no doubt that the United States has a vested interest in resolving this issue for our sake, as well as for people in the region.

And there is grounds for skepticism, but to be cynical misreads the times. We have no choice but to move with a great deal of realism but also with some sense of doing the right thing and in the right light.

In America, to borrow a phraseology from a corporation, process is our most important product. We have to lead the process. We cannot abandon it.

Now, it may be very interesting that one of the awkwardness of the late Clinton efforts that we respect so much is that it did not involve the Arab world as we should have, and it is quite possible that is a mistake that we made.

So how we integrate the Gulf States is critical, and how we integrate Egypt is critical. And having just been to Egypt, I am impressed that Egypt is moving very forthrightly to help the process and we should commend them.

What the role of the so-called quartet is, nobody knows, but hopefully it can be positive, but this process issue must be dealt with, and if we were to abandon it or not lead it, the difficulties would be horrendous. In any regard, I think we have received a seminal testimony today. I think the parameters that Dr. Kissinger outlined are extraordinary.

And that betokens prospects for hopefulness and that Congress has to be part of it. And whether or not some funds are imperfectly distributed, for the Congress not to act to assist Palestine at the Administration's request would be a mistake of seminal proportions. This Congress is committed to peace, and that is the way it has to be.

And it is in our interests, and it is in the interests of the people in the region, and hopefully the parties will think it. And if this opportunity is lost, we all suffer. The Committee is adjourned.

[Whereupon, at 1:09 p.m., the Committee was adjourned.]

A P P E N D I X

MATERIAL SUBMITTED FOR THE HEARING RECORD

PREPARED STATEMENT OF THE HONORABLE DARRELL ISSA, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, I would like to begin by thanking you for convening this first hearing of the 109th Congress here today for the purpose of examining the prospects for peace in the Middle East and how America can best move the peace process forward.

I would also like to thank and acknowledge the extremely distinguished panel of witnesses that will testify here today.

Recent events have renewed hope that violence between Israelis and Palestinians will be reduced in the short term and that the long term prospects for peace, with some benefit of hindsight, are better now than they have been at anytime since the collapse of talks at Camp David in 2000.

The announcement earlier this week that the Palestinian authority will stop violence against Israelis and that Israel will reciprocally stop military operations against Palestinians is a significant breakthrough that likely would not have occurred under the previous Palestinian leadership.

The decision by Egypt and Jordan to return their ambassadors to Israel is also a significant development that I and many of my colleagues have encouraged in meetings with government officials since they were recalled over four years ago. This act clearly signifies a renewed commitment and optimism by Egypt and Jordan that work on the peace process, through the roadmap outlined by President George W. Bush in 2001, can move forward.

Despite these reasons for optimism, significant questions in the immediate future and beyond remain:

Will Prime Minister Sharon overcome significant political obstacles and successfully execute his proposed withdrawal from Gaza?

Can the new Palestinian leadership effectively demonstrate that, when given the necessary resources, it can stop terrorist attacks against Israel and bring to justice militants who continue to practice terror?

Can the proponents of peace overcome terror despite the continued influence of Iran and others who actively oppose peace, or will additional actions or sanctions be necessary or perhaps even counterproductive?

The coming year should answer many of these lingering questions definitively. In the meantime, I look forward to hearing expert insight on these and other issues from the panels we have before us here today.

Mr. Chairman, I yield back the balance of my time.

PREPARED STATEMENT OF THE HONORABLE GRACE F. NAPOLITANO, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Mr. Chairman, this morning I would like to discuss the children and families who have been affected by the conflict in the Middle East. It is a tragedy that the violence that has plagued the region since its resurgence in September 2000 has had such a debilitating effect on local families and the economy of the region.

Children make up the majority of the population in the West Bank and Gaza Strip. Hundreds of children and youths have been killed and thousands injured during the current conflict. Their families have suffered extreme psychological duress trying to cope with their sense of helplessness in protecting their children. Internal blockades and external border closings have not only contributed to the high unemployment of 40 percent among Palestinians in the region, but also have limited ac-

cess to schools and medical care, disrupting children's sense of routine and well-being. As a result, family poverty has soared to 56 percent in the West Bank and 81 percent in the Gaza Strip, according to UNICEF.

These problems of unemployment and extreme poverty are direct results of the ongoing violence in the region and the actions of a minority intent on havoc. That is why I am pleased that Palestinians and Israelis are currently taking significant action to advance the peace process. It was heartening to see pictures of Israeli Prime Minister Ariel Sharon and Palestinian Authority President Mahmoud Abbas at a summit on Tuesday shaking hands after reaching an agreement to stop the violence. The end to fear in daily life and the opening of new markets and opportunities will revitalize the Palestinian people. It will also stop the spread of terrorism, as terrorism is rooted in poverty and fear.

Moreover, peace between Israel and Palestine could be a great stepping stone to lasting peace across the region. It was encouraging to see that Egyptian President Hosni Mubarak and Jordan's King Abdullah in attendance at Tuesday's summit. History has proven that political stability and economic empowerment have a domino effect upon neighboring countries. We saw that in Europe after World War II and in the former Soviet States after the Cold War.

I look to President Bush and Secretary Rice to help achieve these goals and applaud their commitment to help these two nations as they alleviate their deep rooted distrust and allow the region to heal and its children to once again enjoy childhood. I hope that our government will play a supporting role and will avoid imposing our ideologies on their negotiations.

Mr. Chairman, I am also very proud to inform you that 425 infantry soldiers from the California National Guard have joined the Multinational Force of Observers in the Sinai Peninsula this past month. They will play a vital role in bringing a broader peace to the region during the Gaza disengagement Process.

We look forward to another day like Tuesday when we can celebrate a step toward peace and economic empowerment in the Middle East.

PREPARED STATEMENT OF THE HONORABLE ILEANA ROS-LEHTINEN, A
REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA

The events of the past few months have ushered in a period of great hope and anticipation. However, we have been down this path many times before.

I am encouraged by the declaration by Prime Minister Ariel Sharon and Abu Mazen of their intention to achieve a truce and lasting peace, but we must insist that the Palestinian Authority dismantle the moral and physical infrastructure that supports the terrorists.

This is a critical prerequisite for success.

We cannot expect any cease-fire to hold if thousands of terrorists retain their weapons and are free to decide at any moment that it is time to renew attacks against Israel.

A ceasefire needs to be developed into a comprehensive security plan that includes dismissing PA security officials with unhelpful ties and loyalties, if need be.

The dynamics that encourage the public to believe in the utility of violence must also be addressed, otherwise, the issue will continue to impede Abu Mazen's ability to govern effectively.

I am concerned over the sharp increase in the frequency of attacks on Israel in the Gaza strip since the death of Yasser Arafat.

Through these attacks, the terrorists in Hamas, Palestinian Islamic Jihad, and other terrorist organizations have attempted to send a message to both Israel and Abu Mazen.

These terrorists want to show Israel and the PA leadership that they will be leaving Gaza under fire.

The United States could play a role in bridging gaps between Israelis and Palestinians. We could help transform President Bush's vision of a new Palestinian leadership—a leadership not compromised by terror, and committed to governing over their own people within a practicing democracy, based on tolerance and liberty—into concrete actions that will once again revive the hopes of millions of Israelis and Palestinians for a peaceful resolution to their conflict.

Secretary Rice has told both sides that they must be prepared to make "hard choices." The Palestinian people can play an immensely positive role in this respect.

The Palestinian people must be willing to reclaim their future from the terrorists and those who have enriched themselves at their expense.

The recent elections are a positive first step but, if peace is to prevail, the Palestinian people must help remove terrorism and violence from the equation.

President Bush has said the U.S. stands ready to help fulfill the promise of a lasting peace.

We are, but we must proceed with caution and heed the lessons of history toward an effective U.S. approach that contributes to the process in a positive manner.

In seeking to do just that, I look forward to hearing from our witnesses who have been active participants in these efforts.

